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REPORT OF THE SECRETARY GENERAL
TO THE FIFTH FLN CONGRESS

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Algiers EL MOUDJAHID in French 23-24, 25 Dec 83

["Non-official" French translation of the secretary general's report to the Fifth FLN Congress]

[23-24 Dec 83 pp I-VIII]

[Text] Organization of the Economy

Since 1979, priority has been given to the general organization of the country's economy, especially through the following:

- the rehabilitation and strengthening of planning as a means to achieve consistent and utilitarian national development;
- the structuring of socialist enterprises and the supplying of socialist forms of management to achieve greater economic and social efficiency;
- and finally, correcting the internal and external balances of the country's economy so as to ensure the harmonious and independent development of the country.

1. Planning now tends to become the only frame of reference in implementing development programs. This makes it possible to mobilize and allocate our limited human, material and financial resources as a function of the priorities adopted, and to guarantee the overall consistency of our economic and social policy.

Since 1972-1973, the complexity and scope of the development tasks have not enhanced the part played by planning; rather, planning has been relaxed in favor of sectorial logics. The latter were furthered in part by a certain euphoria due to the availability of financial means, as oil prices had increased in 1973. As a result, the role of the plan was merely to record investments that were decided and made without any plan. The Fourth FLN Congress and the Extraordinary Congress reasserted the scientific, democratic and imperative character of planning and, in accordance with the National Charter, made it the Law for the economy.

This requirement for a single and planned control of development does not in the least mean that the economy must be centralized and bureaucratized: rather, it means that economic agents at all levels must be made aware of their responsibilities and that initiatives that would lead to an effective participation in the preparation and implementation of development plans must be encouraged.

The planning system and mechanisms adopted meet the dual concern for consistency and performance of development programs. The various decentralized planning organs existing at regional, sectorial and enterprise level are there to support medium-range plans which in turn are integrated into long-range orientations and prospectives, whereas annual plans will organize the implementation of medium-range plans, provide for necessary adjustments in operation programs and ensure the respect of priorities and the consistency of objectives during the whole period of implementation of the plan.

Appreciable results have been obtained in this direction; they have made it possible to give new impetus to planning, to improve discipline in the control of development, coordination, and intersectorial and interenterprise contractual relations, despite the fact that decentralized planning organs still lack adequate competence and supervisory capacities, especially at regional and local level. The follow-up and control mechanisms at all levels of plan implementation are also in need of improvements.

2. The restructuring of national enterprises is the second facet of the economic reorganization. These enterprises were intended to take charge of the recovery of national resources through the creation of a public sector that would be powerful and dense enough to take over the new prerogatives of the State as an operator acting directly and playing a determining part in economic life.

During the first stage of our development, when planning slackened and there was no true coordination framework, national enterprises progressively evolved into veritable administrations which, in each branch, cumulated indiscriminately the functions of implementation, production, marketing and social institution. Multiple missions came to be added to the important missions that had been assigned to these enterprises at the time of their creation, and secondary or auxiliary activities often supplanted the principal activity, at the expense of production.

In many cases, these excesses also caused management to become opaque and hard to control and check; the unavoidable result was abusive discretionary modes of behavior and sometimes malfeasance.

In addition, the financial situation of most of the national enterprises was disastrous and called for energetic corrections.

Finally, the underutilization of installed production capacities, and the predominance of bureaucratic apparatuses were among the other factors responsible for the low economic and social efficiency of our public enterprises, and they fueled the disinformation campaigns of the reaction and of the detractors of our Revolution.

Under these conditions, it had become imperative to undertake profound organizational transformations in order to protect our Revolution and its achievements and to continue our socialist development. These transformations are based on the following fundamental principles.

- Specialization of enterprises according to their mission distinguishing, as a rule, between the production, development and marketing functions.

- Deconcentration and decentralization of enterprises through greater management autonomy, and geographical redeployment through the development of regional and local enterprises.
- Increased workers' participation in enterprise management by reducing the enterprise to adequate human dimensions.
- Development of sectorial and interenterprise coordination through the replacement of administrative supervision by economic and commercial contractual relations.
- Financial restructuring of enterprises by adapting the financial system to the financing requirements of the enterprise's operations, reorganizing its financial structure and promoting self-financing.

A total of close to 330 enterprises resulting from the restructuring were organized and endowed with reception and supervisory structures. Their headquarters were systematically established near production centers and, in assigning and distributing their personnel, priority was given to directly productive work.

In the socialist sector of agriculture, in accordance with the resolutions of the third session of the FLN Central Committee, the restructuring of farms started with self-managed farms; they were redimensioned to create economically viable and technically controllable units. Accompanying measures (financial reorganization, assignment of cadres and technicians to the farms) completed the restructuring proper. In addition, efforts were made to make the sector more dynamic by lifting bureaucratic constraints and restoring greater autonomy and initiative to the producers.

3. Forms of Socialist Management

The forms of socialist management, self-management, Agrarian Revolution cooperatives, socialist management of enterprises, are becoming more meaningful and more efficient economically and socially, in spite of oversimplified and dogmatic approaches. We must continue in this direction in the light of the results obtained. The objective of socialist management is to increase efficiency and achieve production and productivity improvements. Socialist management is also a school for democracy.

Some will look at certain deviations or weaknesses and attempt to slander our socialist course, but let us point out that the National Charter is very clear in this respect. It specifies that socialist management is not just a set of static rules, but bases that can be developed, added to and improved.

We must therefore continue our efforts to clarify and thoroughly understand the fundamental texts dealing with the socialist management of enterprises. We must also improve the political awareness and the economic training of the agents whose job it is to apply these texts. This is the best way to prevent deviation and bureaucratic stagnation.

4. Clarification of the Role to be Played by the Non-Exploitive National Private Sector

Whereas one of the Revolution's fundamental demands is to consolidate and enlarge the socialist sector, we must at the same time integrate the non-exploitive national private sector into the country's overall planning; the rules that govern this sector and the limitations imposed on it must be defined by the planning process. The law on national private investment adopted by the People's National Assembly in July 1982 and the texts concerning its application have more clearly defined the mechanisms of orientation, supervision and control of that sector. With the same goal in mind, efforts have been made to work out laws and regulations that will protect, strengthen and support artisanal activities.

5. Price, Wage and Income Policy

The price, wage and income policy provides further regulatory and intervention means to ensure a fair distribution of the fruits of development, especially through taxation and social transfers.

The price policy represents a privileged instrument both in furthering economic growth and in protecting the purchasing power of the citizens, especially those in low income categories. Since 1982, a new pricing system is being implemented progressively: it is based on the control of production costs and consumer prices and obeys economic laws and clearly defined social policy imperatives. The determination of production costs and consumer prices is no longer left to the operator's discretionary and administrative decisions; rather it must follow the rules of economic management and the imperatives of the country's economic and social policy, and reflect actual standardized production costs.

The preestablished intervention margins must reflect the overall degree of efficiency of the enterprise and ensure that the consumer is not damaged. This should contribute to safeguard the citizens' purchasing power and encourage producers.

Consumer prices for staple products (cereals, oils, books) benefit from State-budget aids. Other widely consumed goods receive aids from the Equalization Fund, whose resources come from taxes on less essential goods, and which will progressively take over. The Equalization Fund, which was set up recently, will also support exports of our products.

The prices of certain products have been progressively adjusted to fight waste and further the adaptation of consumer demand to the actual capacities of the country's economy.

Similarly, the income policy and especially the wage policy reflect the social policy and production growth objectives. Efforts undertaken in this respect during the period 1979-1983 involved predominantly the preparation and implementation of the National Worker Statute.

In this context, selective salary increases benefitting especially the less privileged sectors (agriculture, civil service) and low-income job categories,

have made it possible to reduce the serious distortions and unjustified inequalities that existed with respect to wages.

Similarly, with workers' participation and in spite of implementation problems, new mechanisms were worked out and implemented to provide individual and collective work incentives and profit-sharing. These measures have contributed to improve production and productivity and to protect the worker's purchasing power. The preparation of application texts for the SGT [National Worker Statute] led to a complete recasting of labor laws to improve the social protection of workers and link income to production according to the principle: to each according to his work.

The efforts made to use taxation as a means to achieve a fairer income distribution involved changes in the tax system, aimed at providing effective control of unearned income, greater efficiency in tax collection and better means to fight tax evasion.

6. Evolution of Overall Economic Balances

The recovery of our oil and gas resources in 1971, followed by the sharp rise in oil prices in 1973 considerably increased our hoarding capacity and made it possible to launch many major economic projects.

As the country's realization capacities soon became saturated, project construction began to lag behind schedules. The various sectors had to compete strongly for diminished economic resources, which brought about increased imbalances, affected the economy's overall efficiency and therefore increased the cost of development.

This rapidly broadening investment front was to lead to clashes between objectives and to the worsening of intersectorial and interenterprise imbalances.

In addition, supervisory constraints induced similar competitions. Wage progression became anarchic and sectorial discrepancies worsened.

For instance, some projects were started just because financing was available, without any serious analyses of costs or economic benefits.

Under these conditions, increased recourse to technical assistance became necessary, in view of the country's limited construction capacities. This led to a rapid increase of the foreign deficit.

During the past few years, efforts were made essentially to restructure sectorial investments, to favor the sectors that lagged behind or had remained marginal under previous plans, i.e. from 1967 to 1978.

Efforts were made, therefore, to improve economic and social infrastructures, water-supply and agriculture. For instance, the Five-Year Plan devoted 39 per cent of the overall investments to the industrial sector, compared with 60 per cent under the second Four-Year Plan.

At the same time, measures were taken to achieve a better implementation of investment programs. Efforts were made to control costs and reduce completion times by improving national and local construction capacities and requiring systematic preliminary studies on project completion.

Efforts were also made to achieve intensive use of production capacities and greater efficiency in enterprise management. The increased responsibilities of enterprises and the incentives provided to them have resulted in a considerable growth of domestic production and significant productivity improvements. For instance, in the processing industries, production increased at the rate of 10 percent per year, in real terms, and the rate of utilization of production capacities increased from 40 percent to close to 75 percent within 4 years.

During these periods, one major concern was to strengthen the country's independence by reducing its dependence on foreign resources and by a dynamic policy of foreign debt repayment, in spite of the fact that the Algerian economy was adversely affected by the worsening of the present international economic crisis.

Thanks to these efforts to control foreign balances, which were started as early as 1979, the country was spared the financial difficulties which many Third World countries are now experiencing.

Thus, investment programs were adapted and the rate of growth of imports fell down to 6 percent per year, compared with 16 percent previously, which made it possible to start repaying progressively the country's debts.

The results obtained in controlling overall economic balances should be consolidated during the next stage, due consideration being given to the diversity of economic and social requirements that must be met and to the need for a permanent strengthening of the country's economic independence. In this respect, one strategic orientation is that calling for a permanent increase in the country's human and material resources.

To give an idea of the scope of our overall efforts, as reflected in the Five-Year Plan, we shall now review the essential of what has been achieved in each sector.

National and Regional Development

We have identified the imbalances that occurred in the development process as a result of the phenomena analyzed in the chapters concerning the period 1967-1978; we gained a sounder view of the problems related to national and regional development. This sector represents a fundamental factor in the required control of development during the next period.

In this context, the efforts made during the period considered to realize objectives consisted in redeploying economic and social investments in underprivileged inland areas, taking into account the imperative condition of preserving agricultural land and developing local potentialities and resources, especially thanks to the renewed interest shown for the development of small and medium-size industries.

As far as long-term development is concerned, the objectives are to encourage the emergence of a dialectic process involving, on the one hand, an improved distribution of production and resource-development operations and, on the other hand, the creation of jobs and the redeployment of the population to achieve a sound and balanced occupation of our vast territory.

As far as water-supply is concerned, an attempt was made to improve coordination between that sector and the industrial sector. Solutions to the problem of industrial water supply were considered, both for existing units and for planned units to be built in already water-deficient zones, and this was done through improved coordination between the water-supply sector and industrial sectors.

As for the steppe, this period was marked by an actual approach to the problems of the pastoral world; it has become the prevailing approach and has begun materializing with the creation of the High Commissariat to the Steppe which is in charge of devising and implementing an integrated policy of pastoral zone development that should stop the deterioration of our steppe heritage, ensure that it is protected and used more rationally and at the same time create conditions leading to a new economic balance through the development of pastoral water-supply systems and a sound diversification of steppe resources.

As for the forestry sector, it announced the development of the national forest heritage; this will reflect concerns for the preservation and development of existing forests and the development of mountain agriculture, on the one hand, and erosion and desert control and the expansion of the forest on the other hand.

Especially during the period 1978-1982, progress was made with respect to reforestation, improved forest protection and the development of the dirt road network to break the isolation of mountain areas; nevertheless, much remains to be done to optimize the country's afforestation rate.

The same constant concern for the safeguard of our national heritage has caused environmental protection and pollution control to be taken into account and integrated into the economic policy approach followed during that period. We should note, however, that this trend, positive as it may be, has only just begun and much remains to be done in this direction.

Another facet of the economic policy, and one with long-term implications, has to do with the measures taken to restructure large urban concentrations in order to control and limit their growth through internal development programs, taking extreme care that they do not encroach on highly valuable agricultural land and absolutely prohibiting them to do so.

The second major orientation of the long-term national development program is the population redeployment process; its objective is essentially to create conditions that would stabilize the population in inland regions which are now affected by an intense population exodus, especially in mountain zones, on the high plateaux and in the south.

To create such conditions, we will have to make consistent and considerable efforts to redistribute and restructure jobs so as to achieve a measure of regional and local balance between the various job categories (agricultural, industrial and

services) that will ensure the desired level of social homogeneity throughout the country.

In this context, the creation of an industrial fabric consisting of small and medium-size enterprises located around small urban centers will promote widespread job distribution; it will absorb the excess labor force and therefore contribute to achieving the objective.

Considerable leverage in creating jobs and, therefore, in achieving the desired population distribution will also be obtained through the creation of a new industrial belt along the high plateaux; this will involve the construction of large industrial projects and a railroad line, which will also have a strong structuring effect.

Finally, special attention is given to barren areas which could not be developed solely with the country's resources and which are given an equal opportunity for economic growth thanks to the creation of industrial units.

The very nature of the national and regional development policy is to deal with long-term prospects; it is therefore too soon to assess its results, as these will appear only after a long time.

Nevertheless, we should note that the efforts made during the period 1979-1983 as a result of this policy are already beginning to show positive effects--although these are partial and require consolidation--especially in stabilizing the high-plateaux populations and in reducing interregional migrations.

Actually, previous imbalances were such that it will take sustained and exacting efforts to correct them.

Agriculture and Water Supply

The measures adopted during the past few years and the decisions of the third session of the Central Committee marked the beginning of the renovation of the agricultural sector.

Yet, this effort will have to continue in the context of an overall long-term plan of agricultural development, which will have to be integrated into a broader plan of national economic development. The extension of irrigated areas has actually started under programs implemented during the past five years.

The improvement of agricultural workers' incomes, the creation of an agricultural development bank, the simplification of fruit and vegetable marketing structures, the initiatives again given to producers in planning crops and marketing the fruits of their labor, the increased role played by communal multiservice agricultural cooperatives in providing technical support to producers, the redimensioning of self-managed farms into more viable economic units, the assignment of cadres and technicians trained on the farms, these are as many milestones on the road to recovery.

As far as water supply is concerned, the Political Directorate is continuing its unrelenting efforts through a large program aimed at increasing water resources, as its constant concern is to renovate and expand drinking water distribution systems.

However, as we already said, not enough has been achieved in this field to meet the population's requirements.

The delay experienced in the completion of large dams (between 5 and 8 years) and the dredging of existing dams as well as the inadequate number of small and medium-size dams have, in the past, had disastrous consequences on the drinking water supply situation. Yet, the drinking water supply situation at governorate centers has markedly improved during the period 1980-1982. The quantity of water per person per day increased from 65 liters in 1979 to 69 liters in 1980, then to 74 liters in 1982; these efforts will continue until WHO standards are met.

To achieve this objective, we must direct part of our efforts to end the considerable deterioration affecting this sector due to the neglect of water supply systems which prevailed after independence and resulted in a loss of 40-50 percent of our water supply potential.

As far as dams are concerned, 16 were under construction at the end of last year. Seven had been projected during the two previous Four-Year Plans, compared with nine under the present Five-Year Plan.

It is important to point out here that an inventory of water resources has shown the existence of a large potential estimated at 16 billion cubic meters, whereas the resources mobilized to-date represent only 2.82 million cubic meters. This does not take into account the Albian groundwater table existing in the south of the country, which is estimated at 5 billion cubic meters and is as yet unused.

All the same, recovery of this sector is dependent on our continued efforts.

Infrastructures

The serious distortions which have appeared during the past development stage as a result of the deficits accumulated in building basic infrastructures of all kinds, which we have already mentioned, have made us aware of the need to deal with them through a detailed analysis.

The orientations of the Extraordinary Congress, as materialized in the Five-Year Plan, reflected a determination to improve over the past situation by getting rid of the imbalances we mentioned and giving basic structures the place they deserve.

The importance given to this sector was reflected in the Five-Year Plan approach whose objectives focussed on lagging sectors. Land transport benefitted from a shift of traffic to the railroad, and railroad modernization and development are now given special emphasis in investment programs.

Yet, the road system was not neglected: in addition to road construction programs in the south and the intensification of operations to break the isolation of rural areas, significant programs were initiated, such as the modernization of the coun-

try's large highway and governorate road systems, the Algiers area freeway program and the unblocking of strategic north-south axes of communication.

The progress achieved with respect to new construction should not make us forget the situation of the maintenance and operation network.

As far as trucking is concerned, the implementation of a vast infrastructure construction program cannot fail to have effects and will bring further significant improvements that will optimize the use of the existing fleet.

As far as road transport of passengers is concerned, considering the condition of the fleet and its rate of immobilization, which is still high and affects operating conditions, priority was given to the realization of a vast maintenance infrastructure program in all of the country's governorates in order to lift the obstacles that prevent these means of transport from being used efficiently and profitably.

At the same time, the national road transport system expanded through the creation of local and governorate public enterprises whose means were also appreciably increased. These efforts have not yet produced all their effects.

As far as port infrastructures are concerned, considering their deficits and the prevailing port saturation, especially in the east of the country, as a result of the development of our foreign trade, large expansion programs were approved but, as is known, their completion will take a long time.

Finally, we should point out that the remarkable growth of the country's shipping business during the last decade is now making it possible to stabilize the fleet at its present level and center our efforts on its organization and management. As our country lacks service and maintenance facilities, this sector is still dependent on foreign countries.

While ship freighting remains important, our fleet is not used optimally due to the specialization and structure of our exports.

As for airport infrastructures, the country's need for an airport network has been considered and decisions made accordingly. At the same time, existing airports are being renovated and upgraded.

Air traffic security has also been improved through the extension of radio-navigation and weather observation to cover all the territory.

The growth of domestic air transport remained satisfactory but, on the other hand, available capacities are not used as well as they could, due to the increase in flight frequencies and the weaknesses of the marketing organization.

The international network was considerably expanded, both inland and outside, thus reasserting the presence of our country in many areas of the world. However, greater attention should be paid to improving the quality of passenger service, ground services and booking offices, where inadequacies persist.

If we consider the expanse of land to be covered and the increased demand for air transport, both at home and to foreign countries, we shall have completed our review of air transport organizational weaknesses and of the decline of service quality.

These reasons called for a restructuring and have caused us to create two air transport companies: one in charge of domestic, the other of international airlines.

As far as postal and telecommunication infrastructures are concerned, the objectives of the Five-Year Plan focussed on the strengthening and profitability of investments made under previous plans, and on the need to meet the expanding demand through new equipment programs.

Despite significant progress, realizations remained inadequate, both with respect to telephone and telex facilities and with respect to the post office network.

We should point out here that the efforts made to develop regions that are isolated from the rest of the country can be intensified by calling on the National Service. The National Service has made and is making a significant contribution in this respect. For instance, it helped with the construction of the high plateaux railroad project and that of certain local roads in the region. Also, many roads throughout the country were built by young men in the National Service. The National Service is also capable of building airports. The Ain-Salah airport is already completed. The National Service has also helped with the expansion of the Tamanrasset airport, which has now become a passenger airport.

Housing and Town-Planning

Special attention was given to housing and town-planning, a leading sector among national priorities, especially following the recommendations of the Party's Extraordinary Congress.

Ambitious objectives commensurate with the long stagnation of the country's housing inventory and its state of extreme dilapidation were assigned to the housing sector, the objectives being to remedy the severe housing shortages which had accumulated and to rehabilitate older buildings.

We may now say that this sector is beginning to revive, as housing units are being built and delivered at a rate unheard of during the past decade.

Indeed, if we consider the last decade, 50,300 urban and 88,000 rural housing units were built. This represents 34 percent of the total to be built under the program. As for the much shorter period 1979-1982, it saw the construction of 104,000 urban and 82,600 rural housing units. This is 40 percent of all the units to be built under the program. In other words, the number of housing units built increased from 23,000 per year for the period 1967-1978, to 67,000 per year for the period that followed the Extraordinary Congress. [figures as published]

However, significant as they are, these results remain well below the objectives set, considering the means made available and the alarming situation of this sector.

In addition, the pressure of demand has caused these programs to focus on quantity and in most (although not all) cases this was done at the expense of the quality of the new housing projects and their integration into the environment; as a result, in order to remedy the deteriorating situation of the environment, the disruption of urban fabric and the inadaptation of housing projects, it became more necessary than ever to plan the use of space in order to develop the territory and do so harmoniously.

In this respect, significant efforts were made during the period considered; they dealt essentially with the definition of new urban planning tools, the launching of studies on urban structures and the development of certain governorates, the separation of planning and construction operations and, finally, the extension of building permit regulations to certain rural areas.

While it is still too soon to assess the results of these various programs of recent implementation, we should still mention the progress achieved with respect to the attribution of building lots for individual houses through the belated implementation of a real estate reserve policy.

Simultaneously with surveying and development operations, which are still inadequate, these results will have to be enlarged upon, taking due care to preserve every single plot of agricultural land and giving priority to the rehabilitation of existing urban centers and to collective-type housing.

The agent of implementation of the housing and construction policy, the building and public works sector, has experienced qualitative and quantitative mutations of its construction means as a result of enterprise restructuring and intensive efforts to improve equipment, especially in favor of community and governorate enterprises.

In addition to the improved distribution of public enterprises throughout the country, i.e. their decentralization, this considerable reinforcement of the implementation agent has resulted in appreciable progress and encouraging performances in certain enterprises.

Yet, despite marked improvements, existing capacities remained inadequate compared with construction programs, and the results obtained with respect to productivity are below standards.

Generally speaking, this sector is still subject to multiple constraints resulting in part from inadequate control of construction companies and their workloads, as well as from persistent organizational and management weaknesses and inadequate supervision.

Industry

The Five-Year Plan programs approved by the Extraordinary Congress were oriented along four directions:

1. Consolidation of what had been achieved during the previous period through the elimination of the contradictions which had appeared.
2. Control of the conditions under which investments are made.
3. Broadening of the material and human bases of development.
4. Reinforcement of management and production control.

The first direction involved the implementation of programs designed to achieve better use of installed production capacities by accelerating the rate at which new production units reach their full output rate, developing organizational capacities and upgrading production jobs.

The second direction involved programs designed to control past investments and accelerate the completion of projects or orient them, upgrade existing assets and develop engineering and construction capacities.

As for the third direction, it involved the broadening of the material and human bases of development, and especially the orientation of industrial development to give priority to meeting domestic market requirements, achieving greater sectorial integration and improving the geographical distribution of industrial operations.

In the fourth direction, we have observed positive factors in management and production, due to restructuring. These results can also be assessed in the light of implementation, development, production and labor-force utilization rates.

The investment implementation rate was 80 percent in 1982. From 1979 to 1982, production throughout the industrial sector (exclusive of oil and gas) increased at an average annual rate of 10 percent, in constant prices, and labor productivity increased by over 8 percent. The rate of utilization of production capacities, which was around 40 percent in 1978, rose to 64 percent in 1982 and reached close to 75 percent in 1983.

As for the energy and oil and gas sector, it is subject to constraints imposed by our policy of conserving our energy resources.

On the job market, 80,000 jobs--essentially production jobs--were created. The restructuring of enterprises also provided an opportunity to reduce overabundant headquarter personnel in favor of direct production jobs.

This trend was accentuated by the new system of remuneration and collective and individual material incentives which is strongly biased in favor of production workers. The level of supervision and personnel qualification, while still inadequate, improved markedly.

The number of technical assistants dropped from 11,000 in 1978 to 2,400 in 1982.

Finally, as far as workers' training and technical and vocational proficiency are concerned, we should note a reduction in training programs abroad, as national institutions progressively replaced them.

As far as organization and management are concerned, a decisive program was started to restructure national enterprises, thus triggering the geographical re-deployment of industrial operations and the implementation of a planning system at enterprise level.

Significant progress was made in improving management. It involved restructuring, a better geographical distribution of enterprises and better management control. In addition, each enterprise was given an internal program.

New investments were allocated preferentially to programs that would upgrade the existing production potential, maintain and renovate it, as well as to integration programs designed to adapt the various sectors to the needs of the national market.

Efforts to this end shall have to be intensified and broadened if they are to produce the desired effects and results, and especially to improve the part played by the industry in the country's accumulation effort to replace the resources derived from oil exports.

Distribution Network

During the past few years, the distribution network has certainly made remarkable progress in supplying the country. Yet, weak areas remain.

While chronic shortages and continued tensions are disappearing from the market, we should note that the improvement in the supply situation was achieved through sustained and costly imports which have increased the country's food dependence. The performance of the country's production apparatus has not improved significantly. And storage capacities are inadequate to ensure uninterrupted supplies.

To make up for the existing deficit, consistent programs were implemented in the fields of storage, refrigeration and transport equipment. Yet, their rate of implementation remained too slow to remedy the situation.

Generally speaking, a trend to a certain control of the market has begun and should be strengthened through the implementation of the commercial infrastructure program, the more judicious distribution of the public retail sales network, which should become profitable now that small private trade has been reinstated, and finally through consistent efforts to organize the marketing apparatus in charge of the wholesale and semi-wholesale trade.

All these programs should be complemented by the implementation of an after-sale service and maintenance network in which small repair businesses should play an important part.

As far as the storage and distribution of energy products is concerned, the objective of the plan period was to make up for accumulated deficits. Although

new projects were completed during the period, overall storage capacities remain inadequate.

Gas distribution improved at a considerable rate during the past five years. The effort made in favor of rural construction gave remarkable results, and some governorates caught up with the national average.

Education and Training

Algeria has always given and is still giving priority to the education and training of all its citizens, especially the children and adolescents. Materially, considerable efforts were made with respect to infrastructures, the teaching staff, curricula and social and cultural activities, which resulted in annual operating expenditures of 171 billion dinars for the period 1967-1979. We should note that demographic growth has a direct impact on the efforts required and perpetuates the problems encountered in the construction schedules of the required infrastructures and the training of educators at all levels.

We can congratulate ourselves on having reached the objective of education for all and in having created conditions that will enable any young 6-year old Algerian to go to school.

The effort accomplished is shown by the fact that, between the end of 1979 and September 1983, 460 colleges of intermediate studies and over 15,000 classrooms were placed in service. Yet, the dual schoolday system is still prevailing and classes are overcrowded, especially in large towns.

The teaching body in the elementary cycle is now nearly 100 percent Algerian, and Algeria no longer needs foreign technical assistance for this cycle.

The quality of textbooks was substantially improved and the new basic-school curricula are being completed as scheduled and as required to train teachers.

The body of teacher's aids is progressively disappearing, that of elementary teachers is increasing, and training in the ITE [expansion unknown] is progressing at a satisfactory rate and with good results. Whenever possible, training time was increased to two years, and two-year teachers' training is to become the rule as soon as possible.

The bilingualism inherited from the previous period has been abolished and school curricula were standardized in 1982. As a result, we may consider that the problem of Arabization has been solved in this school cycle.

Although all these elements are conducive to optimism, there are still inadequacies and deficiencies that we should analyze correctly and remedy adequately.

We may add that the quality of education has improved progressively and that efforts in this respect must be continued to eliminate the obstacles that prevent this sector from reaching the desired level.

The prerequisites to a qualitative improvement of basic education have been defined. Yet, we should stress that it is mainly in this system that demographic pressure is the most acute.

Secondary and Technical Education

The increased number of elementary and intermediate schoolchildren has caused a rapid inflation of the total number of secondary and technical school students.

In 1982-1983, there were 280,000 students, compared with 5,300 in 1962-1963: 12.30 percent of the 15-19 age group were attending secondary schools in 1982-1983, a fair percentage compared with other developed or developing countries. Increasingly, girls are going to secondary school, in all governorates.

Right after independence, there were 39 secondary schools, 185 in 1979-1980, and 319 at the start of the 1983-1984 schoolyear; in other words, during the period 1979-1983, 110 schools were placed in service, i.e. one third of all existing schools.

Yet, we should mention that these encouraging results are still a far cry from the objectives set, as over 250 schools remained to be built early in 1983. This shows what important effort remains to be made to complete current programs at a reasonable cost and within a reasonable time.

There again, there have been many instances of incompetent studies and poorly managed construction sites, lacking strict control and causing a waste of time and money.

Strong action is a must in this field and measures have been taken to ensure better control, both in school design and in school construction or equipment.

The structure of the secondary and technical school system has always been characterized by an imbalance at the expense of technical education, despite all decisions made to promote scientific and technical education. The latter still represents only one tenth of general education. We can say that, during the five-year period, conditions were outlined that will in time do away with this structural imbalance. The program implemented during the period 1980-1984 should make it possible to train rapidly the expected number of technicians.

The guidelines provided in this respect will provide for comprehensive and high-quality information of teachers and parents, lead to a change in mentalities, bring this school system closer to the students, and make it available in all governorates.

We are now in a position to cover our skilled labor requirements, nearly all our requirements for higher cadres in all fields of expertise.

Thus, after the required maturation time, the work started in 1982 will end with the reform of this school cycle, as its present structure is no longer adapted to the profound changes that have taken place in our society. No rash action will be taken, but the final decisions made must enable this pivot cycle

to play its part fully; in other words, it will be given the resources necessary to solve correctly its major problems, namely: to provide the higher education cycle with competent students, and the job market with qualified technicians.

Teaching in our national language has progressed rapidly; all subjects in the literary sections are now taught in Arabic as well as 40 percent of all mathematics classes. In large cities, special classes have been created to teach the children of our expatriate workers.

Algerian teachers are joining this school cycle in increasing numbers. They represent an increasing proportion of all teachers: 41 percent in 1975, 64 percent in 1979 and 71 percent in 1982.

The training of teachers for this school cycle was given new impetus and the obstacles that prevented the massive training of teachers, especially for technical schools, were lifted in 1983. Additional higher teachers' training schools are projected.

As a result, already this year, we can say that all teachers of literature, history-geography and philosophy are Algerians.

This effort will be continued at the same accelerated rate until all scientific and technical teachers are Algerians teaching in Arabic.

As for scholarships, they benefitted mainly students in rural areas. Since 1979, the number of scholarships has increased and enabled children from the most underprivileged families to get an education.

This school cycle has benefitted from a dynamic trend that will surely enable it to become the keystone of the education-training system which we have in mind.

The secondary and technical school system is truly the meeting place leading to everyday life, the modern world, tomorrow's world, which our youth aspires to. Under the Five-Year Plan, we were able to transform it into a privileged means of education and training for the future, to match the economic and social development of the country.

Higher Education and Scientific Research

The efforts made to develop basic education and scientific and technical education have brought about a rapid succession of changes in our higher education system:

- 8,000 students in 1967;
- 62,000 students in 1978;
- 103,000 students in 1983.

Providing for student promotions of such size has caused and is still causing many problems, with respect to teaching as well as with respect to the social conditions offered to the students: housing, cafeterias, transportation, scientific equipment, books and university libraries, rational resource utilization, planned-development control as a function of economic and social development.

If we analyze the results, we note that progress has been made in many domains and that much more remains to be done to meet adequately the needs of students, teachers and research scientists, as well as the country's economic and social needs.

Algeria has had and still has high ambitions and it wants to have a higher education system of high level and high quality.

Investment in education remains our best investment, the one that will guarantee our continued development and economic and technological independence. It is at this level that technology acquisition is the most profitable and effective. As a result, we must use all means to ensure that this sector becomes an advanced sector, open onto the world and conscious of its role and responsibilities in the country.

We have built universities, higher institutes and campuses to enable as many students as possible to continue their studies under good conditions.

Thus, 48,000 student places and 22,000 beds were delivered in 1977 and 1978, to which 43,000 student places and 21,000 beds were added from 1979 to 1983.

The Algerianization of the teaching body has progressed considerably, especially during the 1980-1984 five-year period.

Yet, despite the reform undertaken in 1979, this progress was accompanied by many imbalances whose sources are multiple and which should be corrected.

There are still far fewer students in technological sections than in literary and medical sections, and this has been affecting the economic development of our enterprises which have had to rely on foreign assistance, especially in the building and public works sector, the industries, transportation, basic infrastructures and water-supply system construction. The same goes for the training of secondary and technical school teachers, which remains inadequate.

Therefore, considering the scope of the task it has accomplished and the many and varied missions it must complete, the higher education and scientific research system has decided that, under the 1980-1984 plan, its main task should be to strengthen the organization of the higher education and research apparatus so as to make of it a powerful and sufficiently versatile tool that will meet the many challenges created by our accelerated development.

As a result, guidelines were adopted for the university system; they set the objectives to be achieved.

In this respect, it is the realization of university infrastructures that must comply with the objectives, not the reverse.

The progress we have witnessed in this domain, thanks to the decentralized implementation of higher-education investment projects, will enable us to acquire expertise in the creation of university centers and institutes to serve the country, in accordance with the programs adopted, and to ensure their coordination with the various economic sectors.

Clearly, the creation of specialized university institutes in various locations in the country will contribute to materialize a number of objectives set by the Algerian Revolution in its great scheme to educate men and boost its economy, in the context of a policy of independence. The distribution of special university institutes throughout the country will not only contribute to interregional balance and provide scientific and technical education to meet the needs of the country's economy and the demands of progress, but it will also act as a melting pot for university students from all regions and do away with regional mentalities. National unity will therefore be strengthened at all levels.

The result will be an open University closely involved in all economic and social development and making its own contribution to it, that of quality.

The same goes for scientific research where what is at stake is the creation of our research apparatus by the men of quality that will manage it and ensure that it is closely associated in solving our country's problems.

What we need is a living science and technology based on strong and up-to-date theoretical and fundamental knowledge and capable of meeting the country's development needs.

The organization and training efforts made in 1980-1984 will enable us to reach this objective soon.

Vocational Training

As a result of the efforts made after independence, a number of individual programs were in existence in 1978, and their level was more or less satisfactory; the number of educators had reached 3,200, whereas the system capacity had reached 45,000 students.

The problem of knowing what to do with students leaving school, i.e. students from elementary schools, was a cause of anxiety for all parents; the problem was extremely acute, as most of these students could not be admitted to existing vocational centers.

We can say that, in 4 years, the conjugated effects of the introduction of the 9-year basic school cycle and the increased rate of admission of elementary students into the intermediate cycle--which should reach 75 percent in 1984 and 100 percent by the end of 1986--on the one hand and, on the other hand, the introduction of trade apprenticeship have enabled many children to remain in a structured education-training system instead of being on the street.

During the next plan, we should no longer hear about school dropouts; they will just be a bad memory.

To achieve this, a general mobilization is required. Within two years, we were able to place 35,000 apprentices, a remarkable achievement in itself. But our actual capacity is close to 100,000. We must mobilize it. Therefore, the People's Communal Assemblies and the vocational training centers must step up their efforts to achieve these objectives.

In this respect, we should not forget the efforts accomplished by the National Service. In addition to mobilizing youthful energies in the service of the country, intellectually and physically, it also gives young people without any job qualification a unique opportunity to acquire one or complete their training.

This is why the National Service is attracting a large number of young people lacking specialization. The service takes over the responsibility of completing the training they have received in other national structures. The specialized centers and institutes of the People's National Army are now providing training in many fields, according to selected curricula. This type of training enables the young to get acquainted with certain problems in the field. They thus acquire an experience that is not insignificant. It then becomes easier for them to enter the job market, after fulfilling their national duty and making a material contribution to national development.

We have programmed and started the studies and construction of 540 vocational training schools, 281 of which are sponsored by the newly created Ministry of Vocational Training.

The period 1980-1983 has been a period during which we have consciously completed the mutation of the apparatus that existed in 1978 into a powerful instrument of economic and social development, so we would no longer need to have massive recourse to foreign countries as we had during the previous period. In 1982, 91,000 training posts were made available, and 110 trades listed in the programs of vocational centers.

Despite the relatively high cost of creating a vocational training post (120,000 Algerian dinars), compared with 30,000 dinars for a place in a secondary school, we made that effort to accelerate the rate of realization, control costs and completion times, provide adequate equipment to the centers, open and operate them.

Many obstacles will have to be overcome if we are to operate the mutation we have in mind, which should enable us to offer vocational training to any young Algerian boy or girl. Indeed, girls had been given only marginal access to vocational training and, as in the other structures of the education-training system, their fair share must now be restored to them. During the forthcoming plan, we expect to see the creation of 600,000 training posts throughout the country.

This is to say that mobilizing all resources available and making them profitable are the conditions of success.

Apprenticeship and on-the-job training, which require greater commitment on the part of the structures involved, should be able to take care of many of the objectives.

Finally, we must provide efficient coordination in order to prevent duplications, we must coordinate training periods and the diplomas awarded, and solve the problem of the schooling level of students coming from the vocational training system.

We may say that, during the period 1930-1984, most activities were devoted to providing the training required under the National Worker Statute, as was also the case in the secondary school system.

Information

The situation of the information sector is still marked by the same inadequacies as before, both with respect to the dissemination of the written press and in the field of audiovisual and radio broadcasts. Considerable efforts must still be made to improve the equipment and above all the organization of our information system if it is to be equal to the demands of its mission.

The results obtained in this sector, to which adequate means were made available, show a number of achievements which, however, remain insufficient.

As far as the Algerian Radio and Television is concerned, the whole national territory was to be adequately equipped; yet, in many regions the reception of radio and TV broadcasts is not good.

As for the projected installation of powerful radio transmitters, the objectives have not yet been achieved. The extension of the radio-relay chain has also been significantly delayed.

The written press has benefitted from an emergency program to renew its equipment. We should point out that newspaper sales have somewhat declined.

In this sector as in all others, we must make the best possible use of existing means and focus on training men capable of acquiring technical expertise, promoting the professional level and editorial quality, and improving the profitability of existing means.

Culture

In the past, the culture sector did not receive the necessary attention and became marginal. In the future, it should be the object of all our solicitude. The issues raised in this sector show how much should be done to turn to good account our monuments, historical and archaeological sites and the cultural riches of our national and regional museums, create conditions that will promote the development of our publishing industry, and ensure the wide dissemination of books. We should also make it possible for our cinema industry to assert itself and for all forms of artistic expression to develop themselves.

Therefore, this sector is bound to experience a veritable mutation based on the training of a sufficient number of highly capable men who will then become its leaders.

Thus, together with the mujahedin organization on the one hand and, on the other hand, specialized university institutes, the culture sector must provide the prerequisites for the writing of our national history, so that the events that have marked it will remain in the memory of present and future generations. The history of the Revolution was the object of a national seminary organized in 1981

and sponsored by the former mujahedin organization; it was attended by many revolutionary leaders; the repercussions this meeting had throughout the country demonstrated that, irrespective of their age or education, citizens are extremely interested in national history.

We must therefore continue our effort in this direction, we must do so seriously, through high-level debates, to breathe into our history a powerful inspiration that will bind all generations together and, through history, reassert the national unity that was forged in our people's century-long struggle.

Religious Affairs

The Revolution has always encouraged teaching and research--through seminaries, meetings and dissemination of the Islamic thinking--that would strengthen religious education and enrich spiritual life. Yet, we are still a long way from reaching the noble objectives assigned to this sector. It will need the help of the various sectors in charge of orientation and education.

It is true that the Revolution has always known how to stand in the way of deviations assuming a dangerous extremist character, which use religion as a way of achieving objectives which have nothing to do with religion and the fatherland.

Therefore, we should never forget that the battle for Revolution and our identity continues relentlessly and does not stop at a given time or in a given place. This is how the choice of leaders in all the domains of the country's cultural life takes all its meaning. The efforts made in this domain have always been aimed essentially at training religious cadres and increasing the efforts made to multiply religious infrastructures throughout the country so as to meet the people's needs.

Today, the country counts 5,000 mosks; a program for the construction of 160 district mosks was started during the present Five-Year Plan, and construction has already started in some districts.

Higher Islamic education is available, as well as Islamic sections in secondary schools.

Public Health

The public health sector is of vital importance to most citizens. Yet, it did not receive the attention that would have enabled it to meet the country's health needs.

In 1967, 37,569 hospital beds were available, i.e. 3.3 beds per 1,000 inhabitants. As for the number of smaller health units, it did not exceed 200, i.e. 1 unit for 62,000 inhabitants.

For various reasons, the projects programmed during the period 1967-1978 were never built.

Because of all these delays, the Five-Year Plan inherited a series of projects including the hospitals programmed during the various plans and the operations programmed for the period 1980-1984.

There were 139 hospital projects, 42 of which had been programmed during the period 1967-1979. As for the 1980-1983 program, it listed 97 hospitals. In other words, the present Five-Year Plan contains twice as many hospital projects as all past plans together.

As far as polyclinics are concerned, 250 were programmed during the period 1967-1979, compared with 328 during the period 1980-1983. Similarly, 250 health centers were programmed for 1967-1979, compared with 506 for 1980-1983.

As far as actual construction is concerned, four hospitals were completed during 1978-1982. During that same period, 405 health care centers and 222 polyclinics were completed. By the end of this year, 8 general hospitals, 1 psychiatric hospital and 8 hospitals built under the Chlef emergency program should be completed, i.e. a total of 16 hospitals with a capacity of 2,970 beds, plus 60 polyclinics and 100 health centers.

However, despite the political determination asserted and the efforts made to follow the recommendations of the fourth session of the Central Committee, the objectives we have set for ourselves are far from being achieved.

In 1984, we shall intensify our efforts in the health sector. The construction of health units must be accelerated, and the smaller units completed so as to fulfill their function, which is to bring the public health system closer to the citizens.

A similar effort must be made with respect to training. We must therefore make it possible for qualified physicians to work under conditions that will enable them to study their area of specialization more thoroughly and upgrade their research work. All Algerian citizens throughout the country will benefit from it and Algeria will join the ranks of advanced countries in the world.

In 1967, Algeria's medical personnel was as follows: 417 physicians, 160 pharmacists, 86 doctors of dentistry and 4,000 paramedical agents. Today, it is as follows:

- physicians: 7,350, including 1,500 specialists;
- pharmacists: 1,127;
- doctors of dentistry: 2,453;
- paramedical agents: 48,100.

These figures speak for themselves. However, the distribution of this personnel among the various governorates is not yet fully under control. Despite the real improvements that have taken place under the present Five-Year Plan, improved control over this sector is necessary and the necessary regional balance of public health services must be achieved.

While an effort must be made to improve the quality of medical care and ensure proper reception of the citizens in medical structures, we should also note that we still need more specialists, and that the creation of certain specialized services should be accelerated in order to reduce the financial burden of treatment abroad, a burden which has increased alarmingly in recent years.

We should remember that treatment abroad is reserved to serious cases and should not be looked upon as an occasion for a trip.

As far as drugs are concerned, our production units are still unable to meet our increasing requirements; all the same, we must achieve better control of our imports and increase our training capacities in this field. We must also create a pharmaceutical industry, taking into consideration our needs and true potential.

Situation of the Mujahedin

During the 1979-1983 period, all necessary guidelines and measures were issued to ensure the prompt settlement of the problems which are still affecting the mujahedin and their families.

These architects of victory, who gave their best to the sacred cause of national liberation, have rights that are recognized in the law, and they should be able to enjoy them immediately, all the more so as time passes and takes away a few of them every day.

As far as recognition is concerned, the creation of district commissions and governorate appeal commissions has made it possible to accelerate the rate at which pending applications are processed, and to start the clearing up operation which has already yielded results. The files are now being computerized.

As far as pension settlements are concerned, the efforts made have yielded good results and guidelines were issued to ensure that the remaining applications are processed speedily.

Similar efforts were made to solve the problems affecting expatriate mujahedin.

We are carefully monitoring the efforts made in favor of the mujahedin, especially to enable them to receive the benefits they are entitled to with respect to housing, transportation, the acquisition of vehicles, equipment, prostheses and their accessories, and stays in convalescent and treatment centers.

As far as employment is concerned, the problems remaining after reintegration has been completed are job promotion and wage-level improvement prior to retirement.

As far as chauhada children are concerned, the efforts made have enabled thousands of them to go to the university.

In addition, over 30,000 licenses were issued and over 1,000 mujahedin received loans to start small retail or service businesses.

Tourism

Although this sector received considerable attention, additional efforts are needed to give tourism the full meaning assigned to it in the National Charter.

Important touristic structures were created during the period prior to the Fourth Congress, but their creation did not follow any well-defined tourism policy. The

Political Directorate then saw it fit to prepare a dossier on the subject, which was first discussed in Party rank-and-file structures, and then at the third session of the Central Committee.

The latter adopted a number of recommendations concerning the sector. In particular, they stress the necessity to encourage mass tourism and take advantage of our natural resources and our cultural and historical heritage.

It also recommended better management control and the actual implementation of decentralization.

During the period 1980-1983, investments in this sector amounted to 1,156,332,000 Algerian dinars. They covered a number of touristic development projects and the creation of camping grounds.

In addition, in accordance with the Central Committee's recommendations, regional and local programs were started. As a result, many citizens could enjoy the benefits of tourism at home last summer.

As far as training is concerned, the sector has not yet achieved the objectives assigned to it. Yet, to-date, job promotion structures have managed to train 5,341 specialized agents in the hotel and tourism sector.

Decentralization, too, started taking shape during the Five-Year Plan period. Thus, the sector was restructured so as to make profitable tourism units available to governorates and regional organizations. In a second stage, true decentralization will be implemented and touristic facilities meeting the actual needs of the citizens will be created.

Also, the last Five-Year Plan period saw the development of intense efforts to prepare the conditions that will enable the private sector to make an important contribution in applying our tourism policy.

As a result, before the beginning of the next plan, we shall have met the conditions that will enable this sector to start off again on sound bases and to meet first the domestic, then the foreign demand.

Future Prospects

Assessing past efforts, analyzing the progress made and pointing to strong points as well as to weaknesses, all this can be highly significant if we draw lessons that will help us in the future in preparing our development plans for the forthcoming years.

Consequently, we have looked at our past experience and drawn from it a rule of conduct and a program for the future.

As far as economic, social and cultural matters are concerned, we would first like to point out that the next plan period, 1985-1989, will continue the orientations we have repeatedly asserted, which tend to achieve the authentic and independent development of Algerian society. This development focusses on

meeting the basic material and cultural needs of the people as a whole and should make available adequate cumulative and durable surplusses to help reinforce social stability.

The next plan will be based on the successes achieved in the past and will also tackle existing imbalances, in accordance with the guidelines of the National Charter, of the Fourth Congress and the Extraordinary Congress, and with those we shall adopt at this Congress.

It is not superfluous to recall here a truth that is evident in itself but that is sometimes overlooked, viz. that national economy cannot develop apart from world economy. Now, the perception we have of the trends prevailing in the international environment prompts us to be extremely prudent in our approach to development matters and in the preparation of future projects.

We must not be deceived by the theory according to which the world economic crisis is coming to an end and the expected recovery [text unintelligible] positive impact on Third-World economies.

Such a theory contains two statements that are in error: on the one hand, the belief that the world economy, which is now in a crisis, is still subject to alternate periods of economic recession and expansion, everything else remaining the same; on the other hand, the belief that Third-World countries would benefit from the economic recoveries of rich countries in the North.

A study of recent history shows the total lack of any solidarity between the economies of rich countries in the North and those of countries in the South, i.e. the Third World.

Worse, whereas the undeniable problems affecting countries in the North have a certain negative and purely social impact on these countries, they have huge repercussions in the countries of the South. Indeed, if we look at underdeveloped countries today, we can not only see that the international economic crisis has caused the appearance of signs of recession and stagnation, but we can also observe an actual decline of economic and social development efforts accompanied by famine in certain countries, as well as bankruptcies and threats to the social and political cohesion of these countries.

The solidarities between the economies of countries in the North and in the South, which have been so highly praised by some, are blatantly revealing their destructive effects on developing countries now that rich countries must face economic problems resulting from the inconsistency and injustice of the present world economic system, which was their work and theirs alone.

Countries in the North, which are so keen on democracy and the respect of others when it comes to their internal affairs, can show considerable inertia and lack of concern when they are invited to make a democratic and effective contribution to the creation of a set of basic relations between nations that would be less unjust and more effective as far as mankind's fate is concerned.

Although we have had little response from many countries in the North, we have kept calling for a real and constructive North-South dialogue. Indeed, the world

economic crisis is a profound, structural and durable crisis. How could it be anything else when two people in the world out of three are suffering, in their flesh and in their minds, from the sinister trilogy of ignorance, poverty and disease?

In addition, the products required to satisfy the necessities of life and the accumulation of technical and scientific knowledge are the privilege of a minority of nations cloaked in unparalleled selfishness. Indeed, the colossal production forces sheltered by these nations are rejecting any notion of defining their areas of operation and intend to monopolize a freedom of decision affecting mankind as a whole. What we must do during the next few years is build, equitably and rationally, a new world economic order and put an end to the privilege of a minority which is orienting the national economy of developing countries and mortgaging the future of many generations.

As far as we are concerned, we are not willing to allow mercantile interests obeying a selfish and individualistic logic to establish themselves outside their borders and restructure the world economic space and, therefore, our own economic landscape.

Pending the instauration of a true dialogue between North and South, we consider that our contribution to the instauration of the new world economic order must involve strengthening cooperation ties among countries in the South. We are convinced that the intensification of regional cooperation will confirm the urgent need for a general dialogue between rich countries as a whole and poor countries as a whole. In addition to the benefits it offers in itself, regional cooperation will undeniably help us fulfill the prerequisites to the creation of a more global, more equitable and more rational world economic order.

Some countries in the North, although very few, understand the scope of what is at stake for mankind in the North-South dialogue. These countries know what risks they will run if two thirds of mankind are kept in a state of underdevelopment. They also know what benefit they can all expect from the new world economic order.

With these countries, Algeria is prepared to maintain ties of a new type, ties that will be truly free from mercantile considerations and whose objective it will be to achieve, here and there, authentic solidarity in development, not through words but through deeds.

Based on our analysis of what the world situation will be like by 1989, and considering the weighted factors of its development, we shall follow a watchful course during the next period, a course in keeping with the state of our economy and our foreign economic balances.

At any rate, if the world around us were to undergo favorable changes during the next five years, our economy could easily adapt to the new situation. On the other hand, if our approach is based on optimistic hypotheses which are then invalidated by actual developments, it would inevitably lead us to failure and to agonizing revisions of projects that would have cost us a lot.

However, if we must be watchful in our foreign relations, we must be audacious at home in order to strengthen our economic integration and accomplish the mutations

required to fulfill the aspirations of our people, and in doing so we must essentially rely on ourselves.

In this respect, we should not forget that, even during the long and dark period of colonization, Algeria has always faced up to its historical responsibilities. Moved by ambition and their disbelief in the fatality of oppression and underdevelopment, sustained by their inherited values of dignity, acute sense of social justice and spirit of sacrifice, the Algerians have never hesitated to act and have indeed acted to change their living conditions.

One essential characteristic of the next period, and maybe the only one that will really matter, is the generalization and broadening of the principle of individual and collective self-reliance to eliminate the notion of assistance without any right or title. We must rid ourselves of the negative attitudes that come from transferring responsibilities to others, which are illustrated by the behavior of those who shun effort and find refuge in a bureaucratic form of behavior.

As for us, we shall continue to extend to new fields the decentralization that we have already started toward regions and enterprises. The many texts organizing decentralization have a material impact on all domains of economic and social life.

The rapid development of local implementation means and the restructuring of enterprises are beginning to yield results. Yet, we are aware that our efforts to achieve decentralization often take the appearance of a technical deconcentration of power, from the top to governorate level.

We must use the next five years to organize ways and means of decentralization in favor of local elected assemblies. These assemblies will have to mobilize local means to realize the projects required to meet the citizens' needs, i.e. they will have to finance, build and manage. In other words, to be able to apply the principle of decentralization, we must systematically endeavor to achieve a balance of resources and jobs in the regions. Indeed, what would decentralization be worth if all it did was to identify needs and if it relied exclusively on central authorities to provide the resources and means required for its effective application?

This broad outline deals with intra-governorate decentralization in favor of the People's Communal Assemblies. It reflects the sole objective of dividing governorate powers among governorate and other urban centers, enterprise authorities and the citizens.

As far as enterprises are concerned, restructuring will be consolidated when the implementation of organic mechanisms made necessary by headquarter restructuring has been completed. The enterprise must become a place where economic decisions are made, with full responsibility and without any interference that would justify opposition to change or resignation on the part of the enterprise head. The enterprise must be judged on its quantitative and qualitative results. Indeed, the first social objective of the enterprise is to make the best possible use of its resources and means--which were created by the Nation's sacrifices--and always in such a manner as to be able to return at least the equivalent to the collectivity.

The next stage will be a period that will see the materialization of thoughts we have engaged into concerning the definition of the innovative role of supervisory authorities in defining overall development policies for the country's economy and its various sectors. Our enterprises have now come of age; in other words, branch and regional authorities will now focus their attention on the overall development levels of the sectors. Obviously, adequately detailed branch or regional planning will make it possible to replace each individual enterprise in its overall context.

The notion of work must be placed at the heart of our concerns and socioeconomic organization, through practical implementation procedures which, as a rule, should preclude the emergence of unjust situations in which effort and the lack of effort are equally rewarded. Indeed, nothing is more frustrating, more demobilizing than such egalitarianism, which leads to laziness and stifles creation, or such enrichment without any productive contribution to the Nation's economic and social development.

Therefore, we must not fail to provide an environment that, without any constraint, will draw forth all the efforts that will contribute to the Nation's development. It is within our possibilities if we are methodical and give up high sounding and empty slogans in favor of rigor and the love of work.

The continued blossoming of social life under all its forms will remain at the center of our economic policy and development strategy.

We believe that the priority objective of our social policy must be to keep raising the cultural level of Algerian society through the improvement of its productive capacities and the elevation of the citizens' living conditions and standards.

These two objectives cannot be achieved satisfactorily without a guaranteed high rate of growth of production and of the profits of all kinds we can derive from it and use for social development.

Therefore, in the future, we must assert materially and more clearly the interdependence and complementarity of our economic and social policies. Their unity is a prerequisite to the credibility of our development approach and to achieving control of economic balances. Lacking this, our efforts--i.e. the definition of their goals and content and the means they will use--may always be characterized by waste, approximation and pious wishes. Now, if there is one domain where it is essential for political language to be clearly measured and understood, it is precisely the domain directly affecting the citizens' living conditions.

This is why we must ensure the preservation and consolidation of our past achievements and make sure that justice prevails in the distribution of the fruits of labor, welfare and culture, thanks to coordinated programs consistent with the means of economic policy, and why we must rely on the citizens and the communities to effectively take over responsibilities.

Social solidarity and the people's mobilization at work around the orientations and programs of action of the economic and social policy are two conditions that

must be met if our enterprises are to succeed; in the end, they depend less on programs to meet the overall needs expressed--as some of these can be detrimental to the decisive objectives of long-term development--than on the rigor, clarity and justice shown in apportioning the effort to be made.

To give a more profound meaning to our social policy, we must constantly try to improve the conditions of development, utilization and reproduction of our economic potential so as to increase our economic efficiency.

As far as the selection of productive investments is concerned, the approaches we will have to develop in the medium and long term will be marked by the need to meet adequately the needs of the job market, economic integration, and a dynamic regional development. These imperatives will require rapid and constant progress in achieving broader program design and in dealing with environment-related constraints, the most appropriate technologies and the nature of demand [as published]. At the same time, in view of the world crisis, we must take action to lower the cost of cooperation. We must also keep an eye on the new foreign strategies that redistribute the roles in a way that goes against our long-term economic and social objectives.

In addition, considering the scope, high cost and long construction time of water-supply, agricultural and communication infrastructure projects, we shall have little room to maneuver in selecting productive investments. As a result, the services we expect from such projects must be rigorously defined and considerable discipline must be exerted to save means and compress costs.

As far as production is concerned, our main concern, the one that should receive priority in mobilizing energies within the shortest possible time has to do with the utilization and upgrading of our agricultural potential. Our country cannot go on depending on imports for its vital supplies. We are facing a situation that requires us to derive most of our essential food needs from our agriculture, and to do so we must mobilize the appropriate human technological and scientific needs. In view of such a requirement, the traditional approaches to agricultural development problems become inoperative, on the one hand because their progress is slow, and on the other hand because they cause the social and cultural problems of the rural world to become relatively marginal. In this respect, we must achieve a profound transformation of the country's agricultural landscape; the programs for upgrading and irrigating the land, which are still only long-term outlines, must rapidly give way to concrete action programs that should be rigorously organized and whose complexity and economic results should be brought under control.

In accordance with these objectives, the human component of the agricultural world must progressively become more qualified and younger, in a planned and programmed manner.

The solution of agricultural problems, as well as the solution of the problem of the population distribution throughout the territory, are closely dependent on the success of adequate short and long-term water-supply programs. The present period of detailed identification of future needs and available potential is also characterized by the implementation of the most urgent water-supply programs.

These efforts, which suffered from pressing delays, are of course costly. We will soon need a long-term operational development plan focussing expressly on the reduction of costs and construction times, the selection of technologies adapted to the actual conditions of utilization of the water resources, and the increasingly widespread association of the country's human and material resources. At the same time, present deficiencies with respect to water-supply system management and maintenance should be corrected without delay.

Based on Algeria's past experience in this field, we are progressively but considerably changing our approach to industrial development. The country's cadres body has considerably improved as a result of efforts made in the past. They are now capable of defining the choices and configurations best adapted in many sectors. Our experience has also clearly demonstrated that, before implementing a project, it is necessary to acquire technological and product expertise, especially with respect to production problems, product adaptation and the development of industrial operations integrated into the national market. The promises of hasty and costly technology transfers taking the form of "turnkey facilities" or "packaged products" have proved unable to lift this constraint; as a result we are now demanding more thorough project design and improved skilled labor training, and above all a reinforcement of the country's capacities with respect to studies, design, engineering and investment management. These orientations must be confirmed, supervised and carefully followed up in the future, all the more so as the country's economic policy, especially with respect to employment, operation integration, national and regional development and project cost reduction, will promote diversified industrial configurations, site selections and technologies, taking into account the varied economic and social conditions of our local and national economy.

In addition, from another point of view, the rapid progress of technology demands that, in making decisions suited to our problems, we should in the future stress research development and the organization of durable and close articulations between higher education, applied research, investment and production, in all sectors of activity.

At the same time, we must consider that our choices of technologies and processes often conflict with the industrial strategies of large international firms, so that, in addition to our considerable effort of training, research and realization-potential accumulation, we should also give special attention to the promotion of new forms of cooperation in the fields of knowhow exchange and technical progress, especially with Third-World countries which must face problems similar to ours, and with other countries in the North which have decided to focus in the future on new forms of fruitful cooperation.

The large-scale mobilization of new abilities which is needed to acquire expertise of design and construction methods is also needed for the correct implementation of the large programs that will develop and structure our territory during the coming years. In these fields, we are determined to achieve two goals: to lift as soon as possible the constraints related to heavy infrastructures and strategic community equipment infrastructures, in order to achieve intensive occupation of the national territory and a permanent and harmonious redistribution and settlement of the populations whenever possible, based on the mobilization of basic

resources and the existence of adequate technical and human means to provide for the development of integrated and reproducible economic and social activities.

Whenever a population and industrial redeployment is contemplated, we must first consider the right approach to the many technological and economic problems and provide an efficient transition between the mobilization of water resources, agricultural development, the nature of industrial facilities and the forms and density of urban centers.

Considering the size, means and duration of the efforts required to achieve correctly the objectives implied by national and regional development, we must obtain the cooperation of the populations involved, as what is at stake is the future of generations to come.

In this context, domestic or foreign means do not always provide all the right answers to problems concerning urban and land development and the organization of relations between rural and urban areas. The contribution of the regions themselves will prove quite as decisive, as cadres dissemination and enhanced university and training resources will progressively improve the human means available to the regions.

Success is closely dependent on the quantitative and qualitative performances of the education and training system, the foundation of all development programs. Indeed, most objectives pursued imply a high level of competence of all kinds. The present mobilization of our efforts to create adequate infrastructures at all levels should enable us to meet the large intermediate term demand. But already, acute problems are cropping up in the various cycles of the educational system; problems of level, quality and economic and social efficiency, even the problem of the cultural dimension of the education provided. The weaknesses observed are due in part to the fact that we first had to cope with the large number of students. They are also due to the choices we made, to the need for the democratization of the school system.

In recent years, we have resolutely undertaken a dual attempt to reduce the number of school dropouts and to plan and orient the curricula so as to give our school system a broader scientific and technical base and further adapt it to intermediate and long-term economic needs. In the future, we must approach the issues involved in achieving an appreciable qualitative improvement of our school system with openness, determination, imagination and open-mindedness.

In this domain far more than in others, we must succeed in mobilizing the scientific abilities and capacities for reflection and for design and analysis of school methods and curricula of those who are best informed of our future problems and their scientific as well as cultural dimensions. In this, we shall take care to avoid conservative and negative approaches which actually often conceal a certain laziness and fear of change, innovation and progress, and we shall also avoid the acculturating imitation of certain models of utilitarian materialism which inhibit our cultural capacities, all the more so as the present world crisis is now challenging their very principles.

Based on this, and by steadily improving teachers' qualifications and the material and financial operating conditions of our education and training system, we shall not only progressively improve the economic profitability of the huge means mobilized by the education system, but above all we shall honor the main commitment of the November generation, i.e. we shall give the young adequate scientific and cultural knowledge to enable them to face their future in the best possible conditions and to face the next century with serene determination and unfailing courage.

Demographic Growth

Our population is increasing rapidly; its rate of growth is one of the highest in the world. From 20.5 million people today, it will rise to over 25 million by 1990, i.e. an increase of close to 5 million within 7 years, and they will have to be fed, clothed, housed, educated, provided with health care and jobs.

The present rate of growth in our country is over 3.2 percent. It is due essentially to declining mortality and the stabilization of the birth rate.

Our very high demographic growth is a problem, as the obstacles it places on our road to development are increasingly hard to overcome.

To speak bluntly, with a demographic growth rate of 3.20-3.40 percent, we must spend close to half our production--whose actual growth rate is 6-7 percent--just to maintain production, investments and per capita consumption at their present levels. In other words, the mere preservation of the present standard of living takes up a more than substantial proportion of our production and productivity gains. Now, if the demographic growth rate remains at this level, given that the present standard of living is unsatisfactory, the many existing social inadequacies will be perpetuated.

In other words, the present demographic growth rate is jeopardizing any quantitative improvement potential that our development could bring about.

Anyhow, things cannot stop at this stage. In the world we live in, any lack of qualitative progress means stagnation and the deterioration of living conditions, which may have detrimental social effects.

Certainly, demographic growth is not the only cause of our underdevelopment and of the problems we encounter in trying to achieve permanent and sound growth. Nevertheless, the demographic factor is the decisive factor; if we ignore it or do not attempt to define it, a large part of our development may become sterile. We have to plan a policy that will lead to the control of demographic growth in relation with economic, social and cultural development. Such a policy must be based on increased responsibilities of the family toward society, greater respect for mother and child, and the fully conscious and voluntary support of all, in order to achieve a demographic growth rate consistent with the high rate of development we ambition for the country as a whole.

The lack of foresight in matters of demography is now having various effects on different sectors of our economy. The pressure it exerts on our sociocultural structures is only an epiphenomenon. Since demographic growth control

can yield only long-term results, the problem is now urgent and must be solved so as not to place an excessive burden on future generations.

The technical methods to achieve better demographic growth discipline are known and routinely applied throughout the world. All that is needed to disseminate them broadly and soundly is to overcome the psychosociological barriers of backwardness, obscurantism and irresponsible attitudes.

To achieve qualitative development for our children, we must act systematically to obtain the full and complete support of the people in the undertaking at hand: controlling our demographic growth. To succeed, we must first clear the prevailing confusion between large population and excessive growth rate. What we intend to reduce is precisely this excessive growth rate. In doing so, we shall provide conditions conducive to qualitative improvements in all domains, and this is precisely what gives a nation its full value.

Employment

Until the effects of the demographic policy we have just outlined are felt, the working age population will increase at an annual rate of over 4.5 percent.

By 1989, we shall have to provide jobs for 5.58 million people, compared with 4.29 million in 1983. To find jobs for a population of this size, decisive changes will have to be made and our economic base broadened, especially in directly productive sectors.

Indeed, what is involved is no longer the creation of jobs for jobs' sake, but the creation of productive jobs.

Jobs created without any productive counterpart are not viable in any system in the world, much less in ours where social expenditures are high.

Actually, the full employment we have in mind and which the National Charter commands us to achieve, is the kind that ensures maximum production of useful goods and services for the consumption, investment and exports of society.

The control of jobs and geographic mobility is a powerful factor of individual promotion and productivity increase in the production system. We must therefore decrease to a large extent the material cost of job transfer from one region to the other and ensure the promotion of employees who will be better qualified, thanks to the additional training they will receive on the job.

What we want to do, actually, is to guarantee jobs that will directly contribute to the Nation's economic and social development. In addition, regional development, which will obviously differ from one region to the other, will require movements of cadres and qualified workers from the regions where they are overabundant to the regions where they are few. These job transfers, or rather this job and geographic mobility, are a source of vitality for the country's economy.

In this context, we may find a solution to our emigration problem. Indeed, the emigrants form an integral part of our people, and we are more than ever determined

to continue preparing the economic structures that will enable them to come back under the best possible conditions.

As far as agricultural jobs are concerned, the rate of growth will remain below 2 percent. It is true that the proportion of farm workers decreased during the period 1967-1981, as a result of the exodus toward towns.

More recently, the number of agricultural workers appears to have stabilized around the present 1 million. We hope that, during the next period, the number of agricultural jobs will be increased and productivity still improved and agriculture modernized.

We are determined to organize and equip the non-agricultural economy so that the number of farm workers in it will increase at an annual average rate of over 5 percent, i.e. a rate higher than the growth in the number of job applicants.

The broadening of processing operations will provide powerful impetus to job creation, which should reach an annual rate of close to 8 percent. The sectors connected to the construction of economic and social infrastructure projects in general, and housing projects in particular, should experience job creation rates of the order of 6 percent, the same rate as in the service sectors. Personnel increases in the education-training and public health systems will keep job creation in these sectors around 5 percent.

The employment policy which will be implemented will make it possible to reduce underemployment to a minimum. The jobs offered will be permanent jobs and priority will be given to the creation of directly productive jobs.

The next period will see an increase and an intensification in our efforts to create quality jobs. As a result, production and its quality will be improved, and the creation of true jobs will multiply, directly or indirectly.

In this respect, we must eliminate regional discrepancies through the creation and improvement of operations meeting either regional or national needs, or both. The elimination of regional discrepancies will require an improvement in regional job qualification structures to prevent the division of our regions into regions of highly qualified and highly technical labor and regions of ordinary labor.

The improvement of the education-training system will lead to the transformation of the vocational training system and its upgrading, and it will become a veritable system of reorientation and continued education reflecting the economy's needs.

These orientations will find an application in the long term. It is important for our economy and for our future as a Nation that we should start as soon as possible.

The demographic growth expected between now and 1989 will have mechanical effects on the size of the education-training system. Also, it will make it difficult to achieve the qualitative improvements that are the key to economic and social progress. Simultaneously with the efforts made to control the demographic growth

rate, much attention should be focussed on the education-training system. Indeed, the number of students will reach 6.6 million in 1989-1990, i.e. an increase in excess of 2 million children over 1981.

As for public health requirements, they are determined by the size of the population, the state of economic and social development achieved, and the efficiency of the health policy adopted.

The decision to provide free medical care has caused all needs to be expressed at the same time. As a result, light infrastructures must be built throughout the country, even in town and villages. They will provide primary care and, if need be, direct the patients to more specialized structures.

The lack of physicians from which our country suffered at the start of independence is no longer as acute; the essential problem which we must face today is the lack of qualification in certain specialties and in a number of regions, and the inadequate distribution of physicians over the national territory. On the other hand, the equipment of the health sector is adequate. However, the sector suffers, quantitatively and qualitatively, from a lack of paramedical and maintenance personnel. Efforts must be made in this direction in the future so as to strengthen the citizens' confidence in the national health system.

Consumption Policy

Household consumption is increasing at an annual rate of over 6.3 percent. Consumption quality will follow the same trend, as incomes and economic and social development increase.

The consumption policy for the next period is primarily aimed at achieving quantitative and qualitative improvements. Our consumption pattern must reflect our production and our way of life. At the same time, we must make sure that the needs for vital products are met at reasonable prices and with products of adequate quality.

Although it does not wish to be a consumer society, Algeria presents a picture of many and diversified individual and collective consumption needs. The various population layers, specially the young, are expressing specific demands. It is not possible to oppose sermons and past consumption patterns to the demands of the young, all the less so as what they demand is not always excessive. We must therefore be prepared to meet their demands, especially if we consider that, by 1990, there will be over 11.3 children aged 9-14 and 27 million young people aged 15-27; together, they will represent 72 percent of the total population.

Every young Algerian knows perfectly well that his country is a developing country and cannot yet guarantee that his needs will be met, quantitatively and qualitatively, to the same extent as those of his peers are in developed countries. Nevertheless, in the next period we must meet legitimate needs to a greater extent, especially with respect to information, culture and leisure.

Housing

We need not recall that, during the next period, the fundamental objective of housing should be to improve housing conditions quantitatively and qualitatively. If we consider the demographic growth rate, we realize what a huge effort must be made to provide satisfactory housing conditions by the year 2000. This implies an expansion of our housing construction system so as to produce 125,000 housing units per year during the next period.

As for the essential orientations of our efforts in this sector, they are as follows:

- to trigger a trend toward construction in medium and small-size inland towns and in rural areas;
- to improve comfort by connecting more housing units to the various utilities and making water-supply and sanitation systems available on a regular basis;
- to make sure that what we build is both strong and esthetic;
- to provide school, cultural, social and commercial structures as well as transportation structures, thus ensuring that the citizens are living in a harmonious and restful environment.

[Non-official French translation of the general secretary's report to the Fifth FLN Congress; Part 2]

[25 Dec 83 pp I-IV]

[Text] Transportation

During the next period, the demand for transportation will considerably increase as a result of demographic growth, higher incomes and the dynamics of development.

This increased demand will affect all means and types of transportation, domestic or foreign, urban or interurban, by rail and road, air and sea.

Considering that we cannot meet the demand for transportation all at the same time and with individual means--this being a sector where we are strongly dependent on imports--our efforts during the next period will focus on the development of mass transportation, and especially on transportation between home and the work place.

In this context, our efforts will focus primarily on public transportation, especially rail transport.

Considering the high development and operating costs of individual transportation--and the scarcity of our resources--its expansion will be planned soundly and tied to the establishment of a national industry of transportation means.

The development of public transportation in large urban centers began to receive attention a few years ago. The solutions that were applied then will be extended in coming years to meet adequately the citizens' needs for transportation.

Transportation, as a phenomenon, is highly correlated with development. If the demand expressed for transportation is not met adequately, it may have severe negative effects on development.

We are aware that absenteeism, low productivity in the production apparatus, and the poor quality of administrative services are sometimes due to the fact that workers' transportation needs are inadequately met. We must be determined to solve this problem during the next period.

Water-Supply and Agriculture

In listing priorities, we already stressed the importance and the need to achieve consistent progress in the mobilization, distribution and management of our water resources throughout the country.

This is a prerequisite if we are to improve agricultural production, make progress with respect to hygiene and public health, and achieve a balanced distribution of the population over the whole territory.

We must allocate the necessary means to lift the constraints now existing, according to emergency and need.

In this respect, we observe that, although the mobilization costs for large projects or projects designed to improve the sanitation of large urban centers are high, the real limitations are not financial.

The real limitations to greater dynamism in this domain lie with the inadequacy of organizational and management means and, therefore, the modest results obtained with our potential for the construction of structures designed to solve water mobilization and utilization problems.

The necessary long-term mobilization of water resources implies therefore that the most readily available means are first identified and developed; more precisely, these means will involve work to eliminate waste in existing water-supply systems, and the construction and maintenance of medium-size infrastructures, which should not be too hard to achieve.

In a second stage, large national enterprises will take over the design and construction of large dam projects to store and transfer water to the various areas.

This second stage will be of strategic importance, especially with respect to costs, construction schedules, and the reduced participation of foreign companies.

As for the tools required for the extension of small and medium-size water-supply systems, they are still not much developed, especially in Sub-Saharan steppe areas and in mountain areas with considerable run-off.

The methods of water-resource mobilization that will ensure the preservation of underground water resources and improve the utilization of surface water are often specific and variable. They should be given special and priority attention in designing and creating specialized and distribution organizations among farmers and local and regional structures.

We should also deal with the processing and recycling of wastewater, especially from industries and large urban centers.

The solution to these problems, with respect to personnel and organizational needs, is the keystone to water-supply development. It conditions the rate of growth of domestic production means as well as the efficient mobilization and utilization of water resources.

Agricultural development will be supported by improved irrigation and drainage; in the future, it should also be supported by dry farming.

The intermediate and long-term programs contemplated for the north of the country, the high plateaux and the steppe areas are quite different, in their scope and their duration, from those undertaken in the past.

These programs are designed not only to control erosion and restore soils, but to provide all the conditions required to increase the agricultural potential through a profound reorientation of land and water utilization and a more consistent and better directed combination of crops designed to meet the people's essential food needs. More broadly, what is at stake is a general and substantial change in existing production methods.

The scope and the various facets of such a large-scale enterprise will require great rigor in program planning and coordination, guaranteed long-term prices that can be borne by the domestic economy, and especially a program planning and organization capacity commensurate with the many changes it will bring about.

The profound mutations of agricultural production conditions and rates that will start under the next plan can be achieved only through an adequate revision of the living and labor-organization conditions prevailing in the agricultural sector.

The necessary connection between water supply and agriculture is not restricted to the coordination of guidelines; it also involves the design, definition and selection of projects and the conditions under which they are realized.

All research, design and construction capacities assigned to these tasks must work within one homogeneous framework.

Once an approach has been adopted, agricultural problems must be tackled firmly and with unfailing determination. What is at stake is the reconquest of our agricultural space which colonialism has dislocated and made marginal and poor.

In this approach to improve the standard of living in rural areas, local and regional development efforts will also have to give due consideration to the development of non-agricultural activities in rural areas.

Agricultural populations will not lead a full life and remain on the land unless permanent jobs in the services and industrial sectors as well as community and social facilities are available.

Generally speaking, modern agriculture and a progress-oriented agricultural population cannot enjoy durable prosperity without an open and active rural environment and without numerous and varied relations between towns and the land.

Economic Integration

To reinforce our preparation to the post-oil era and support the introduction of the agricultural self-sufficiency program, we must strengthen our economic integration.

We must not consider industry as an end in itself. Industry must give to the Nation more than it consumes for its operation and its direct or indirect development.

This is a criterion that our economy will have to respect strictly in developing industries during the coming years, based on appropriate strategies involving the development of basic or processing industries, as required by the country's economy, and using advanced and/or traditional technologies.

In this context, we shall continue the integration of our industries with respect to one another and with respect to the economy as a whole, the latter being essentially oriented to the satisfaction of massive social needs.

Besides, the skills of our labor force are not uniform. As a result, at one end of the range, they can accommodate industries with a relatively rudimentary technology and a narrow local market, whereas at the other hand our experienced cadres can manage high-technology industries with full domestic or international markets.

Thus, small and medium-size regional industries can perfectly well use advanced technologies that would first have been imported, then adapted and produced at home to meet our specific needs. On the other hand, large-scale industries will use older technologies more often than is usually thought.

We must identify the industrialization types and methods that will produce the greatest profits, reinforce our independence, and provide the greatest possible growth rate through the surpluses produced.

Three series of interconnected material problems will make the industrialization of Algeria long and costly; we should mention them:

- the first has to do with the inadequacy of the studies--economic, technical and others--which are made before a project is started. This inadequacy, which prevents us from making enlightened decisions, must be remedied;
- the second has to do with the difficulties encountered in obtaining the technologies involved. In the past, we have often bought equipment and factory machinery whose design performances were subsequently never reached.

In this respect, the partners which cooperate with us must know that we intend technology acquisitions to become a material fact and to be supported by an adequate environment.

The third series of problems is certainly the consequence of the first two; it has to do with the excessive investment and production costs of our industries. In this respect, let us mention once again that our object is definitely not to develop industry for industry's sake. Only industries with guaranteed economic viability will be established in our country; those which have already been established will be reorganized to reflect this general orientation.

A fundamental factor in achieving successful industrialization is the availability of an extended raw materials base. During the next period, resolute and simulta-

neous efforts will be made to develop our own potential and to find new formulas ensuring sound cooperation in this domain between us and our brother and friendly countries.

In developing countries, industrialization often appears to be, of necessity, a challenge. In our country's approach, it is to become a fact of life, for we now possess the state of mind, the men and the political determination to achieve it.

As a result, decentralization and the redeployment of processing industries must be continued to give these industries new vigor so that, in the future, they will be more capable of meeting increasing, varied and complex needs.

Generally, industrial development is now going through a development stage involving decisive changes in the approach to investment problems and their solution. The size and diversification of the demand will also increasingly require a decentralized organization adapted to the many new or modified orientations of production and investment programs. These new orientations, if they are to be correctly applied, will require rapid progress in the coordination, supervision and follow-up of the programs selected, as well as a reduction of project costs and completion schedules.

We said earlier that our intention in this respect is to establish industries in all our regions, so that industry will neither be the privilege of the north of the country nor a threat to our agricultural lands, which must be preserved and enlarged in the future.

Certainly, this should increase the versatility of our industrial apparatus, all the more so as the effective dissemination of development centers over the whole national territory will be the result of planned public and private national initiatives.

National and Regional Development

If we consider the present state of the technologies in which we have expertise, our country's vast expanse may seem difficult to use. Yet, the political determination to make this space contribute in building the great Algeria we have in mind lies at the heart of our national and regional development policy, which is based on scientific and technological development and sincere efforts. This political determination will soon force the emergence of additional production factors, essentially water and energy, that will then bring about radical changes throughout our land.

Globally, national and regional development takes up two complementary aspects: one has to do with the preservation of agricultural land, which is equally threatened by the encroachments of concrete, the rural exodus, erosion and the advance of the desert; the other has to do with a more balanced occupation of our national territory.

Our approach is both efficient and progressive, as the first spaces to be reconquered are not necessarily those farthest away from the present centers of life.

In dealing with national and regional development, we must cope with a negative phenomenon that might hinder progress if we are not careful. It is a sort of vicious circle in which economic activities do not find the economic and social structures they need in all points of the national territory, whereas economic and social structures are supposed to find the reason for their existence in economic activities. To get out of this vicious circle, it will take superior political determination and adequate means of implementation.

We can say, therefore, that national and regional development is not a social luxury imposed upon our economy. It is a necessity imposed upon us by the due consideration of our future and dictated to us by our desire to guarantee a dignified life to future generations.

Of course, national and regional development will require many years to produce all its results. Nevertheless, development programs must be started right now in the governorates and communities, and under their responsibility, to improve the overall quality of our citizens' life.

In this perspective, we shall make sure that economic and social investments are not concentrated in governorate centers but disseminated in all the communities, so as to improve the quality of life there.

Foreign Resources

Our foreign resources come almost exclusively from the sale of our oil and gas on world markets; our export receipts reflect all the ups and downs of these markets, and the maneuvers made against them. In addition, our desire to ensure our own energy supplies and the fact that the volumes extracted naturally deplete our reserves strengthen our conviction that we must reduce the receipts we derive from oil and gas exports.

In view of this fact, we have decided to put an end to the relation existing between our economic and social development and our oil and gas exports and, therefore, to limit our dependence on importing countries. As a result of this decision, we must consider already now new external resources that could replace oil and gas, and new domestic products to replace the goods we now import to meet the citizens' essential needs and the needs of the economic apparatus.

We still have to define a material strategy for exportable products. In particular, our future exports must yield resources that, at national level, will exceed the cost of direct or indirect imports, now and in the future.

In other words, the expected foreign-currency balance of exportable products must be carefully assessed before the creation of an export industry is deemed acceptable. In addition, these industries will have to strengthen domestic consumption industries; they must not be created at the expense of the latter.

If we respect these two principles, we face again the need to export only in sectors yielding products with a high added value and with adequate available human and material potentials.

Under these conditions, Algeria will be able to provide for the post-oil stage and assimilate the various forms of technological progress.

Nowadays, there are production sectors and technologies requiring markets of a size exceeding the national limits. Broader regional cooperation formulas will be considered and implemented to benefit all of the partners.

The exporter's mentality and the consistent approaches it implies will have beneficial effects, first of all on the domestic market. We should encourage their eclosion and their development, not only in economic enterprises, but also in all those involved in any kind of production. During the next period, we shall have to think about and make efforts in this direction, all the more so as our narrow raw materials base makes it hard for us to compress our resources beyond a certain threshold, as we shall always need a minimum of foreign resources.

This certainly does not mean that our imports have now reached their minimum. They are still far from it in spite of the intense efforts made in recent years to reduce them.

Our economy has grown used to easy imports; in the future this must stop: we must recreate and encourage a state of mind intent on finding at home the means to satisfy our demands, and we must do all we can to promote domestic production. We must also do all we can, not so much to protect a domestic production that would be static qualitatively and quantitatively and whose cost would increase, but to give all chances to a domestic production that would be qualitatively and quantitatively dynamic and whose cost would be decreasing.

Our domestic production must be competitive. To be competitive, it needs a specific type of protection. It will receive that protection. However, we must make sure that this does not lead to stagnation and the lack of efforts. It must lead to improved efficiency, increased production and reduced costs.

By reinforcing the efficiency of our foreign trade enterprises, improving their organization and enhancing their negotiating capacities, while exerting greater discipline in planning the imports of economic enterprises, we shall not fail to make a substantial contribution to cost reduction.

Import volumes and costs must be reduced by tying the importation of finished products to that of the technologies that created them. In this respect, we expect our partners to comply with our request for technology acquisition. We can also reduce the costs of our imports by eliminating the waste of imported products, whether consumer products or products for the production sector, such as raw materials, semi-finished products and equipment. The latter makes up the major part of our imports and we should appreciably improve its productivity through permanent utilization and better maintenance, a factor of equipment longevity.

To guarantee the security of our foreign supplies with respect to cost and regularity of shipment, we must not only try to control our imports, but we must also institute new systems enabling our [line missing] unprocessed raw materials on finished product markets, but progressively on foreign markets

of production factors, whenever there is an economic need to do so and in agreement with our political approach [as published]. Algeria must take into account its new and increasingly complex realities and change the procedures of its foreign trade. Algeria will be less and less a mere buyer of finished products and a seller of unprocessed raw materials on world markets.

We must devise alternate policies to increase our exports and develop substitution products, and these policies must materially help us restrict our dependence on foreign markets; in the near future, they should also enable us to prepare the next stage, during which our oil and gas resources will be used only to meet our direct needs.

This must be given priority, and at the same time we must renew our educational and cultural institutions so as to achieve a permanent enrichment and improvement of our economic and social system.

Based on the orientations of the previous Congress and the Extraordinary Congress of the FLN Party, the present Five-Year Plan has already strongly emphasized the importance and urgency of changing, adapting the national economy and eliminating the various imbalances inherited from the colonial era or caused later on by our rapid development.

In this context, we have undertaken global and efficient efforts, coordinated with respect to all sectors, to provide a harmonious and efficient operation of our economy and achieve economic balance in covering our priority needs in the intermediate and long term.

These efforts have to do primarily with the continued broadening of the organized human base which is given access to and exercises social and economic responsibility. This is the ultimate goal of the decentralization we are now pursuing with determination in its various forms and in all the domains where it is required. This undertaking involves both a determination to eliminate the costly and paralyzing negative effects of the trends to bureaucratization, and a resolute orientation toward greater flexibility and dynamism in our economic organization, thus promoting growth, steady management improvement and adaptation to market requirements.

Another objective of our efforts is also to orient the economy permanently toward rationality and balance. The profound structural reform implemented is intended to provide the conditions and tools that will enable operators to achieve effectively and in all domains sound growth dynamics and the integration of operations.

This will be achieved through appropriate changes in planning and economic regulation mechanisms aimed at developing responsible management systems, achieving efficiency in the mobilization and utilization of resources, and articulating domestic trade through flexible economic and institutional mechanisms.

These mechanisms have to do primarily with the control of the development and balances of a product and service market which will become increasingly diversified and dynamic in the future. To complete the reforms started, we must continue programs aimed at adapting enterprise structures and subsequently redefining their

operation, especially at commercial level. As far as their responsibilities are concerned, enterprises must in particular develop their aptitude and ability to react within a reasonable time to changes in the demand, its scope and its nature.

This will imply a simultaneous improvement in the efficiency of central coordination instruments, both in reducing procedures and making them more efficient, and in providing better supervision for prices, credit and control. These two requirement categories are calling for new progress in the distribution of responsibilities at the various levels of decision, nationally, regionally and in enterprises, to achieve an increasingly better adaptation of production and organizational capacities.

To a large extent, this enrichment is dependent on the allocation of available competence, which must be seriously studied and implemented by priority, as well as on enhanced design and technical expertise in implementing production and trade programs. To ensure the qualitative and quantitative availability of the qualified labor force required to meet these tasks, we should make adequate plans to organize career training and provide the remunerations that will mobilize the existing knowhow.

It also depends on our continued efforts to achieve development, self-management, and the removal of bureaucratic supervision. We shall actively continue the effective redefinition of the responsibilities of administrations, enterprises, banks and central monopolies and their interdependence fields, and we shall orient it toward greater decentralization of operations. The development of the responsibility of enterprises in regulating directly their exchanges, and the reduction of the independent vertical monopolies of production enterprises [as published].

At the center, arbitration and coordination among enterprises will, in this perspective, mobilize to a far greater extent the development and financing instruments that actually stimulate the development of economic activities and improve material output and labor productivity.

The contribution from abroad must remain an exception, i.e. it must be limited in time, in space and in the nature of the progress achieved. To rely on ourselves to design and implement our many and varied development programs, we must reinforce our national implementation potential.

In the building and public works sector, productivity and production must be increased, not only through an extension of investment, but especially through an improvement of the organizational framework.

As far as the economic environment of our enterprises is concerned, we have already started to improve it through financial reorganization, pricing and increased autonomy. As a result, these enterprises can now meet their orders without having to worry about anything except producing under the best conditions and without any handicap. This should certainly be reflected in lower costs and production times in the domestic economy.

The programs designed to improve productivity, eliminate waste and lower costs can be implemented permanently only if two conditions are met: first, the operating field of enterprises must be extended; second, they must be supervised by a financial organization able to exert material control over the economic conditions under which rare resources are used.

In the future, it must be understood once and for all that no enterprise should be allowed to consume more national resources than it produces. This is the basis that will be used to assess management efficiency once production and profitability enhancement have become its essential objectives.

The organizational rigor they exert, their rejection of internal marginal quarrels and their full commitment to adhere to production schedules and planned costs will be commensurate to the nobility of their objective, thanks to the faith of the workers as a whole. As moral stimulants might not be adequately perceived by all, positive and negative economic sanction mechanisms will be reinforced.

Indeed, we must give due reward to effort and increased productivity, or else energies will be demobilized. This is imposed by the priority requirements of our economic development.

Social considerations demand that certain needs without productive counterpart be met; these can be fully respected and met only through a quantitative and qualitative production improvement. Indeed, there will be no miracle to enable us to distribute what has not been produced.

Progress in our financial, credit and price policy is also imperative if we are to guarantee, follow up and control at central level the balance of enterprise management and progressively orient enterprises so they will make a greater contribution to accumulation and planning in their field.

Indeed, the period about to start will be marked by a far more intense planning and investment effort, centrally as well as in sectorial, regional and production structures.

The progressively increasing complexity of the work involved in designing, assessing and especially selecting and planning investment projects in all sectors, will require considerable progress in the techniques of planning, articulation and coordination of plans at all level, and in the decentralization of planning responsibilities. To a far greater extent than in the past, these trends require that more extensive and more intense consideration be given to financial parameters in making choices and decisions, and financial organs must be adapted to do that.

The Five-Year Plan has to a large extent started development and decentralization in this perspective. In future years, we shall focus our effort on further improving the operation of articulation procedures for national and regional, sectorial and enterprise planning, their coordination and overall consistence. In this context, considering the demands of development control, domestic market integration and strict control of domestic and especially foreign economic and financial balances, the quality of information and its efficient organization

with a view to preparing the best adapted and least costly choices are essential conditions in achieving progress in the control and management of domestic economy.

Generally speaking, the development of flexible and indirect central regulation systems using economic rather than administrative instruments, and effective market supervision and control through prices and credit will to a large extent depend on the reliability of the information system and the quality and riches of its content.

In another respect, the intensified decentralization of planning implies organized participation in program planning, implementation and follow-up, which should be flexible enough, yet permanent and adaptable, so as to guarantee the enrichment of the selection and management processes at all levels and to ensure mobilization and constructive dialogue and, in the end, the internal consistence and overall balance of production activities.

In the particular case of space planning development during the next period, the development projects which the regions will have to face will be of unprecedented scope and complexity. The large-scale management and control of large integrated regional programs will require means and an organization that cast a new light on the issues involved in the management of regional development.

Because of their nature, the problems involved in altering space occupation are strongly influenced by social objectives, often far beyond technical and economic factors. In most cases, they will be easier to solve if the populations involved make an organized contribution to the selection, preparation and implementation of the projects.

The objective pursued in requiring the direct organized participation of the populations involved in the definition and management of large local development projects is always the same: to make the intermediate and long-term structural investments necessary under reasonable conditions with respect to time, cost and quality, and to maximize the economic output and social efficiency of the activities which these projects will support.

In this respect, the approaches to task articulation between central and local levels obey the same logic and the same economic and social organization principles as the operation of economic and social activities: separation of the areas of responsibility and clear accountability of all partners, large association of the populations, central supervision and intervention providing simple and evolutive regulation to ensure essentially the accounting of efforts at the various decentralized levels and arbitration consistent with national strategies and objectives.

It is in this perspective that we have the best chance to realize in the future, at a reasonable cost, the innovations, technical progress and labor mobilization that we need.

Conclusion

Based on a rigorous analysis of facts and the domestic and foreign situation, we have drawn a frank and objective balance and presented outlines for the next stage, in all sectors. In doing so, we are aiming at a single goal: to prepare the future of our country with method and determination, far from all relations of dependence and other alienating obstacles.

If we choose dialogue over confrontation, it does not in the least mean that we are prepared to accept any form of dependence whatsoever, in any domain and with respect to anyone.

All our citizens are now rightfully proud of our realizations, our achievements, which have been consolidated, and the increasing renown enjoyed by our country throughout the world.

Indeed, we have managed to overcome the imbalances that restricted the efficiency of our development approach. We have never hesitated to confront with the utmost firmness the sequels of feudal mentalities and their negative impact on domestic policy, and we have resolutely committed our national economy, relying only on ourselves and our own potentials.

The effects of this militant determination and our conscious political will soon became apparent and materialized in the dynamics of our country's political life.

Indeed, Party activities developed in all domains and encompassed all fields of action. Our diplomacy has shown a dynamism worthy of our choices. Our development has progressed at an honorable rate, despite a hostile world environment.

All these results were achieved through a sounder assessment of the situation, the determination to increase our self-reliance, enhanced management organization and a more realistic assignment of responsibilities.

Yet, the positive results thus obtained in various domains should not conceal our weaknesses and deficiencies, especially if we consider the ambitious character of our grand design and if we are aware that the attempts to undermine our Revolution take up many underhand shapes.

Therefore, we must remain as firm as in the past in identifying inadequacies, which should be removed, and weaknesses, which should be eliminated.

In this respect, militants must be more watchful than ever and maximize their efforts to overcome obstacles and enhance their abilities by improving their skill levels in all fields. The Party will thus be able to fulfill its leading role, as set in the National Charter. Therefore, this is neither a transient task, nor a mission resulting from economic conditions. It is a permanent effort that takes into account social change and the historical progress of society.

The militant, therefore, must be ready at all times to improve his methods of action, answer the call of duty and defense of the Revolution, and his constant concern should be to disseminate the Party doctrine and publish its principles.

In doing so, he will become a leader and an example for others: he will then be able to fulfill his duty in mobilizing the masses and motivating them to increase production and improve productivity, so that they will be in a position to defend the Revolution which has materialized many of their aspirations for a better life.

Our constant concern is to guarantee the future of the Revolution: the profound mutations which reflect the social model of the Algerian Revolution, and the prospects it opens through its international positions, should preserve us from foreign exploitation and imperialistic redeployment plans.

In other words, our country is not protected against imperialistic intrigues. This is why we insisted that national defense should reflect the spirit of the Revolution; it must be popular, global and complementary, as pointed out in the National Charter.

To resist materially imperialistic aggressions of all kinds, it is not enough to acquire the weapons we do not manufacture and follow traditional defense models.

We must find a formula that will guarantee the defense of the fatherland and of the Revolution, in accordance with the idea we have never ceased to advocate: achieving symbiosis between the people and the People's National Army.

This objective can be achieved. Let us just recall that, through its militant past, its human component and its contribution in deepening socialist choices, the People's National Army has become the spearhead of the socialist State.

We must therefore continue our efforts to modernize our armed forces. We must increase their technical potential and their access to technologies of all kinds. Simultaneously, we must rely on the energies and defensive potential existing within our people. Our experience in this domain is unique, especially in the face of disproportioned material forces.

In this perspective, our constant concern shall be to preserve and rehabilitate moral virtues, the absolute weapon that not so long ago enabled the People's National Army to achieve the success we all know, with the support of the people; these virtues must now remain the substrate of the People's National Army which, in giving them material form, will guarantee that the people will rally around its army to drive back any foreign aggression; the virtues of sacrifice, discipline and abnegation can guarantee the existence of a permanent and modern national defense reflecting the country's development, they will enable the people to be one with its army and will guarantee human mobilization, a factor far more essential to victory than machinery.

It is because of our desire to form a virtuous man that we must continue our management reorganization and improvement program. For the same reason, we must give constant attention to our education-training system and cultural institutions, so as to improve them in the context of a vast project tying education to the economy.

For the responsibility for our future projects and plans in all domains lies essentially with the education, culture and training system. The skills and com-

petence which our country requires are generated by that system. It will have to be adapted to future problems and meet the conditions required to synchronize economic development with social harmony without repudiating the past or turning its back to progress.

Laboratory research must be related to the fields of application; scientific progress must contribute to enrich cultural and spiritual life; the faithful research scientist must not live like a recluse shut up in an ivory tower and cut off from life and the rest of the world.

Indeed, what is awaiting us is an evolution leading to progress in all domains, to be achieved through incentives to cultural efforts, the promotion of scientific research and intellectual analysis, and the adequate expression of all the problems faced by society in its progress as well as in the preparation of its future, the safeguard of its authenticity and the defense of the Revolution.

In this context, we must take care of our youth, its schooling, its education, its training and orientation. We have an obligation to implement more resolutely the policy adopted since 1979 to remove heterogenous phenomena from the education and training system.

We must reexamine and redesign our educational system to ensure that it is homogeneous and harmonious with respect to its organization and curricula on the one hand and, on the other hand, with respect to the needs of economy and society.

This also applies to the balanced development of the citizen's personality, as we must protect our youth from two dangers:

- an education cut off from everyday life, and useless diplomas that do not guarantee a job to their owners;
- an education based on a mechanical assessment of economic needs and bearing no relations to facts.

Such an education is soon found inadequate in ensuring the adaptation of young people to life and in arming them to change the economy and grasp the meaning of its future trends.

We must therefore guarantee our young people an adequate education that will arm them with science and knowledge, promote sound personality growth, preserve fundamental values, develop their critical sense and give them an open mind.

As a result, it is imperative to teach history to our children in a way that is simplified but not narrow, easy but not shallow, attractive but not distorted. The same goes for adults. We must devise a method to teach national history at university level according to a new approach breaking off with the tracks beaten by foreigners.

Economically, we are determined to put an end to dependence under any form and to become producers instead of mere consumers.

The same applies to culture. We must break off our inherited dependence on other people's writings and orientations.

Certainly, we are not saying that we should withdraw into ourselves. Moreover, we are resolutely opposed to those who reject anything foreign as a matter of principle. Quite to the contrary, we want to take advantage of everything that has been written on our history. However, these writings must be subjected to critical analysis in order to separate the good from the bad.

This means we should not only recover our archives, but translate into our national language anything that has been written on our history. In the same spirit, we should consider the creation of a higher institute for thorough and specialized historical studies.

In this respect, our approach should be based on an analysis of the deficiencies from which the education of the young still suffers. We should therefore prepare university and school curricula that would avoid two pitfalls: demagoguery and carelessness.

Properly organized educational, training, cultural, and scientific and applied research structures can provide the strategic support required by our policy of scientific revival, technical progress and qualitative transformation of our educational and training system.

In addition to including subjects taught at the university, these structures must provide for training in the higher skills required to solve the greater problems, those of acquiring the technological expertise required to achieve the objectives of the present stage and to supervise the related studies and design operations.

As we pointed out above, the development of the educational system and its continued dynamism are dependent on the guarantee of permanent symbiosis--through well developed channels--with the social, intellectual and psychological changes occurring as a result of development. This will enable scientific and applied research to play its full part, determine the orientation of programs and activities and university teaching, taking into account its continued relation with everyday life in the country, on the one hand, and considering also the foundations underlying the educational system, i.e. the cultural values and essential components of Algerian society, on the other hand.

In introducing a spiritual and cultural dimension into educational, school and training programs, we should not forget to mention expressly that the preservation of these values does not at all implies withdrawing into ourselves nor any other form of isolation from the rest of the world. For we firmly believe in the universality of our moral values which, through creative thought, should give us equitable solutions to the social problems which we must face in today's world crisis.

This will require sustained effort on our part to develop and improve means of communication, information and cultural dissemination, i.e. the media that will transmit its values to the youth through an attractive presentation satisfying both the intellect and the esthetic sense.

It is precisely the sector of information and communication that the great powers are now using as a privileged means to convey their means of aggression and hegemony.

This alone gives a measure of the realizations and tasks that must now be accomplished to provide our society with adequate means that will enable us to face the vicissitudes and conflicts created and implied by our times. Undeniably, the prodigious potential of hegemonic powers and the means available to them to dominate ideas, life styles and behaviors will multiply in the future to reflect the technical level of their media.

Our efforts may be modest and we may lag behind technologically, but it is our responsibility to be prepared to develop the means and create the conditions leading to a revival of our values and the affirmation of our cultural identity; to do so, we must mobilize and use the equipment we possess and the energies and potential available to us in the best possible manner.

Just as we ensure the promotion of the Algerian citizen through schooling and job training, we must also make sure that he is armed psychologically and culturally against the dangers of alienation and depersonalization represented by foreign consumption models.

However, it is obvious that all these efforts will be useless if the citizens' needs are not met and their environment improved.

Certainly, much has been done in this respect: the citizens no longer suffer from recurring shortages of goods; the housing situation is beginning to improve; fruit and vegetables are again in abundant supply; the production apparatus is no longer coping with continued or intermittent shortages of spare parts, raw materials or construction materials. Work is guaranteed to all, so that there is a strong demand for labor, especially for labor with specialized skills.

Nevertheless, much still remains to be done. This is why we must give priority to the development of the instruments that will guarantee balanced social relations and justice in the distribution of the fruits of development, and intensify our policy of domestic income distribution so as to ensure a large supply of consumer goods and satisfy the needs of the masses.

In the same order of ideas, we must continue our efforts to complete the legal instruments that will protect the citizen and allow him to enjoy all of his rights. We must continue our efforts in this direction until we have achieved full equality before the law.

However, improving the environment will require design and application efforts in several directions.

First, we must define the long-term objectives of the consumption model we have in mind. These objectives must be clear enough to make it possible to determine what progressive measures should be taken in the short term. As a result, this orientation must be one of the fundamental rules underlying our planned economic, social and cultural policy during the next stage, based on a production orientation

aimed at satisfying the needs of the largest possible number and the requirements of harmonious consumption.

However, the consumption model we want to establish will not be satisfactory if it is restricted to economic and social aspects. Therefore, we must adapt the contemplated economic policies to the cultural values whose full revival and enrichment should remain two of our leading objectives.

Based on this principle, we must protect the consumption model we are contemplating against the hazards of blind and ossified imitation. Indeed, foreign models will bring in their wake mentalities of waste, luxury and hostility to the human and spiritual dimension of relations between individuals and layers of a single society.

Certainly, until we have assimilated modern technology, we shall still need foreign cooperation for a long time. And this situation may well cause our youth and university graduates to adopt the whole consumption model within which they will acquire the technology they need.

But this should not weaken our determination, or cause us to change our mind or to deviate from our course, which is to recover and promote our cultural values and the positive aspects of our heritage to help us refuse the temptations of models that reject practically all spiritual and human dimensions in social relations.

In our relations of cooperation with foreign countries, we shall have to adopt a rigorous selective criteria, taking the essential and discarding the negative aspects of the foreign consumption model that sees the individual or society as a set of automatic energies in motion, moving only toward simple material objectives.

In our opinion, it is not enough to enable society to reap the economic fruits of development; we must also and above all create equilibrium and harmony between the needs and requirements of the three dimensions of man, the body, the mind and the soul, as this will enable us to shape a society that will retain its personality, be proud of its past and its heritage, self-confident and sure of its potentialities, and well oriented toward the future and the Creator.

These are the major orientations along which we must focus our activities and progress in order to prepare tomorrow's youth. Therefore, we must give our youth:

- a modern school system open to scientific progress and dealing with the phenomena that will determine the future evolution of humanity, far from withdrawing into itself between the walls of rigid conservatism and the alienations of purely formal imitation;
- material and organizational conditions conducive to an economic, social and cultural development deriving its energies from our potentialities and oriented toward social harmony and justice, in the context of a law that will guarantee the equality of all, be respected by all, and clearly and impartially applied to all;

- a cultural orientation and a cultural development freed from the sequels of obscurantism and withdrawal into oneself, uniting our youth in its cultural sphere and linking it to its historical roots and the cultural and spiritual values of its people.

Our very high demographic growth will continue during the coming years, as our birth-control policy cannot yield results in the near future; as a result, the problems of meeting present and future needs will become increasingly complex. Indeed, our needs with respect to employment, education, public health, transportation and consumption will be such that they will not only bring about huge quantitative changes in our economy, but also and above all require qualitative changes.

This can be achieved if we manage to promote labor skills and develop research and study capacities at strategic levels to prepare our development programs.

This will imply that energies will free themselves from bureaucratic tendencies, the costly imitation of foreign models and demagogic attitudes. In this context, the implementation of measures designed to mobilize the citizens around the strategies we will have to adopt, and their actual contribution to the effort will be the essential factor in the success of our future undertakings.

This is why we should expect the whole Nation to share in this effort. In this spirit, we have changed the country into a huge construction yard where all those who are willing to make a contribution can work in an organized manner.

It is a hard task; it is a heavy task; but we are not losing hope. During the past few years, which are but a brief instant in our history, Algeria has experienced a deep organizational improvement of its production apparatus. Our concerns for increased production and improved productivity were integrated into the plans of economic enterprises.

Certainly, our economy is still in need of positive changes and transformation. This is why we must still make sure that all creative energies are mobilized in achieving the objectives of our economic and social development, which are commensurate with Algeria's high ambitions.

There is no doubt that our efforts to achieve authenticity, justice and impartiality will ensure this mobilization and bring about the consolidation of our national independence, the strict and full exercise of our sovereignty and the safeguard of the essential components of our personality.

Indeed, many underhand attempts are made against the Algerian Revolution, its aims and its goal, and this implies that our Revolution must fight on several fronts at the same time. All sectors of orientation and of the educational and training system must cooperate to unite our spiritual, cultural and educational organs and ensure our global progress in taking responsibility for the future of the fatherland and its civilization.

Therefore, special attention must be given to cadres training. They will have to face the enemies of faith and the fatherland. This is why the level of cadres in the cultural sector must be raised, so they will be provided with all modern

scientific and cultural means in addition to their qualification in the particular field of Arab culture and its origins, and their expertise in the subjects and disciplines traditionally called the religious sciences and the history of the Arab civilization.

In this spirit and with this concern in mind, we ensured the completion and equipment of the Emir-Abdelkader University in Constantine, which will train religious cadres and teachers of religious sciences, giving them a strong and genuine education while placing them in close contact with the realities of this world and making them familiar with the problems of our time; for Islam, which is one of the essential components of the Algerian national personality, demands that we pay due attention to the problem of sound religious education and authentic Islamic culture.

In proclaiming this attitude, we are only being faithful to the tradition of our ancestors: during its golden age, the Arab-Islamic culture knew no separation between what we call the religious and the profane sciences. The scholars who created the Arab-Islamic civilization were fully aware of the problems of their time, accomplished their tasks in perfect symbiosis with the demands of this world and the prospects of the next world, encompassed all the profane sciences and knowledge of their time in the various fields of life, which they acquired from their various sources and in the various languages in which they were conveyed.

In this context, our task is now defined in the light of this historical and modern truth; we must, on the one hand, provide the conditions for a sound religious education of the masses and, on the other hand, provide specialized teaching able to detect the gifted ones and help train university graduates and scholars specialized in the religious sciences: these will also have to possess a knowledge of this world and to be qualified to understand the problems of their time. Finally, their qualifications will have to be such as to enable them to get involved in research and reach the level of Ijtihad, which, according to the general principles of Islam and the fundamental orientations of our Revolution, should enable them to accomplish the effort of interpretation demanded of the mujtahid.

This effort is the price to pay if we are to protect the Algerian society against the dual danger of religious deviation, which would use Islam to cover up charlatanism and goals in contradiction with the principles of our religion and the vocation of Islam for social justice, on the one hand, and, on the other hand, the danger of eliminating religion from our social, cultural and political life under the pretext of modernity and openness to the world.

Clearly, these two dangers are complementary for, at this stage and between the two of them, they bring together opponents having in common their hostility to a Revolution that is Islamic in its spirit and to a Revolution that is revolutionary through its calling.

All these tasks and goals which we are proclaiming and which are our responsibility can be achieved. In the past, our people has always answered the call for mobilization when it could see the goal clearly and understand the message, and

it has repeatedly demonstrated its spirit of sacrifice when sacrifice is distributed fairly and accepted, and when its objective is the interest of the Nation as a whole.

We are aware that it is not easy for a given society to reach the dual objective of achieving a technological level adequate to provide for its material needs, and to found a culture that will safeguard the authenticity of its personality and preserve its moral and spiritual components.

Yet, this is the price to pay if we are to achieve our ideal; this is the ultimate goal we hope to achieve through the efforts we have outlined, whose success will depend on our determination to find in ourselves the potential we need for change and progress in harmony with history.

This is where the future of the Nation lies. Thanks to this effort, at the dawn of the next century our people will be able to meet once again the challenge of history.

Dear Sisters, Dear Brothers:

Self-reliance. This is the great secret of any historical success. The preservation of our achievements, the completion of our programs according to schedule. All these factors reflect the materialization of the principle of self-reliance.

All together, we must attempt to turn this principle into a reality that will crystallize in our progress as a Party; this progress must take shape in our daily efforts as responsible militants, to enable us to eradicate forever the sequels of the welfare mentality, i.e. reliance on others, which stifles the individual's desire to make an effort, downgrades his skills and wastes his energy. This mentality must be replaced by the desire to accomplish one's task, the faithful accomplishment of one's duty, and integrity in the exercise of responsibilities.

The doors will then be wide open to all the live forces of society; their effects will be complementary and will lead to a better organization of the major forces of the Revolution within the FLN Party. This is why the FLN Party is invited to merge them with the principles of the Revolution, to forge a single and only force that will place the interest of the people and the fatherland above all other considerations.

This is why I am calling on militants at all levels of responsibility, in Party, army or administrative structures, and on all citizens, men and women, wherever they are, in all industrial, agricultural, cultural and administrative sectors, and whatever their concerns may be, never to forget the sacrifices of their fathers and brothers who made Algeria what it is today: a free, independent, respected and strong country. To deserve the fruits of these sacrifices, we must never deviate from the virtues of abnegation, trustworthiness, discipline, rigor and altruism that were the basis of the great victories achieved by our people in the past, throughout its long history.

All our actions, progress and behavior must be aimed at furthering the Revolution and all its effects, so as to orient it toward harmony and complementarity. It will thus be able to make new progress in all sectors.

Long live Algeria,
Long live the Algerian people,
Long live the FLN Party,
Glory to God.

(Non-official translation)

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